Utah Retirement Systems

Actuarial Valuation Report

As of January 1, 2026



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August 20, 2026

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, 2026

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, 2026 actuarial valuation will be used by the Board when certifying the employer contribution rates for the 12-month period beginning July 1, 2027 and ending June 30, 2028. 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 92.8% to 94.6%. 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 increased from 91.6% to 97.6%, on an aggregate basis. Generally, the actuarial accrued liability increased more than expected due to higher-than-expected cost of living adjustments to retirees and salary increases actives members experienced. However, this was offset by employer contributions to finance the unfunded liability and a 12.7% investment return that resulted in $2.80 billion more in assets than expected.

BENEFIT PROVISIONS

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2026. 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. An experience analysis was carried out in conjunction with this valuation (as of January 1, 2026), and as a result, we recommended several changes to the actuarial assumptions. Our recommended changes included:

- Price inflation assumption - increase the price inflation assumption by 0.10% to 2.60%. This also resulted in a 0.10% increase in the COLA assumption for the 4.00% maximum COLA funds;
- Investment return assumption – increase the investment return assumption by 0.10% to 6.95%;
- Salary increase assumption – increase the wage inflation assumption component of the individual salary assumption by 0.10% for public employees (i.e. educators, local government, and state employees) and firefighters. We also recommend additional increases at several service intervals for some of the employee groups such as public safety members;
- Mortality assumption – no change to the mortality assumption for nondisabled retirees. Update the mortality assumption for active members and disabled retirees to the family of PUB-2016 mortality tables;
- Retirement rates – reductions in the reduced retirement rates for state employees (male and female) and local government members (female only). We also recommend slight reductions in the normal retirement rates for state females, male educators, and public safety members. The rates of retirement for members in both Tier II hybrid funds remains unchanged;
- Disability incidence – reduction in the disability rates for males in each of the public employee groups (state, local government, and educators) as well as female educators;
- Termination rates –no changes to the termination rates for all membership groups, except firefighters, where we are recommending a slight increase in the rates of termination.

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, 2025 by the URS staff. The staff also supplied asset information as of December 31, 2025. 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

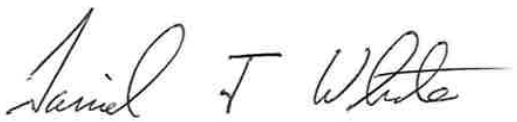
We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2026.

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.

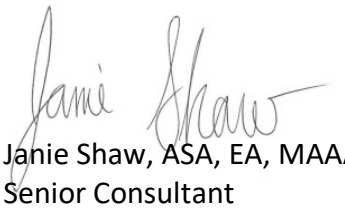
The undersigned are independent actuaries and consultants. Mr. White and Ms. Shaw are Enrolled Actuaries and are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. All of the undersigned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

Gabriel, Roeder, Smith & Company

Sincerely,



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Consultant

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Table of Contents

			Page
	COVER LETTER		
SECTION A	**EXECUTIVE SUMMARY**		
	EXECUTIVE SUMMARY AND CONTRIBUTION REQUIREMENTS		1
SECTION B	**DISCUSSION**		
	DETERMINATION OF CALCULATED CONTRIBUTION RATES		4
	CONTRIBUTION RATE MANAGEMENT PLAN		6
	FINANCIAL DATA AND EXPERIENCE		7
	MEMBER DATA		8
	BENEFIT PROVISIONS		9
	ACTUARIAL METHODS AND ASSUMPTIONS		10
	GOVERNORS AND LEGISLATIVE PENSION PLAN		11
	HIGHER EDUCATION		12
	FIREFIGHTERS AND JUDGES OFFSETS		13
	3% SUBSTANTIAL SUBSTITUTE		14
	RESTORATION OF PURCHASING POWER (ROPP)		15
SECTION C	**SUPPORTING EXHIBITS**		
	EXHIBIT 1(A)	— RECOMMENDED TIER I CONTRIBUTION RATES	17
	EXHIBIT 1(B)	— RECOMMENDED TIER II CONTRIBUTION RATES	18
	EXHIBIT 1(C)	— DEVELOPMENT OF TIER I CONTRIBUTION RATES	19
	EXHIBIT 1(D)	— DEVELOPMENT OF TIER II CONTRIBUTION RATES	20
	EXHIBIT 2(A)	— COMPONENTS OF ACTUARIALLY CALCULATED CONTRIBUTION RATES	21
	EXHIBIT 2(B)	— DETERMINATION OF CONTRIBUTION RATE OFFSETS FOR FIREFIGHTERS AND JUDGES	22
	EXHIBIT 3(A)	— SCHEDULE OF FUNDING PROCESS	23
	EXHIBIT 3(B)	— COMPARISON OF FUNDED RATIOS	24
	EXHIBIT 4(A)	— ANALYSIS OF CHANGES IN CALCULATED CONTRIBUTION RATES	25
	EXHIBIT 4(B)	— ANALYSIS OF CHANGES IN UAAL	26
	EXHIBIT 5(A)	— ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS BY FUND AND STATUS	27
	EXHIBIT 5(B)	— ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS DETAILS FOR RETIREES AND BENEFICIARIES, BY STATUS	28
	EXHIBIT 5(C)	— ACTUARIAL PRESENT VALUE OF FUTURE BENEFITS	29

Table of Contents

		Details for Inactive Members, by Status	
Exhibit 5(d)	—	Actuarial Present Value of Future Benefits Details for Active Members, by Benefit	30
Exhibit 5(e)	—	Actuarial Present Value of Future Benefits Details for Members Receiving Benefits, by Benefit	31
Exhibit 6(a)	—	Normal Cost	32
Exhibit 6(b)	—	Net Employer Normal Cost	33
Exhibit 7(a)	—	Determination of Actuarial Accrued Liability	34
Exhibit 7(b)	—	Actuarial Accrued Liability Details of Member and Employer Financing	35
Exhibit 8	—	Number of Members	36
Exhibit 9	—	Active Membership Statistics	37
Exhibit 10	—	Retired Member Statistics	38
Exhibit 11(a)	—	Market Value of Assets (All Retirement Systems Combined)	39
Exhibit 11(b)	—	Reconciliation of Market Value of Assets (MVA)	40
Exhibit 12(a)	—	Investment Return Rates for Prior Year	41
Exhibit 12(b)	—	Summary of Investment Return Rates	42
Exhibit 13	—	Calculation of Actuarial Value of Assets (All Retirement Systems Combined)	43
Exhibit 14	—	Transfer Adjustments to Asset Values	44
Exhibit 15(a)	—	Contribution Rate for 3% Substantial Substitute	45
Exhibit 15(b)	—	Liabilities for 3% Substantial Substitute	46
Exhibit 16	—	Leg\Gov Determination of Contribution	47
Exhibit 17(a)	—	Historical Summary of Statistical Data - Public Employees Retirement System (Contributory)	48
Exhibit 17(b)	—	Historical Summary of Statistical Data - Public Employees' Retirement System (Noncontributory)	49
Exhibit 17(c)	—	Historical Summary of Statistical Data - Public Safety Retirement System (Contributory)	50
Exhibit 17(d)	—	Historical Summary of Statistical Data - Public Safety Retirement System (Noncontributory)	51
Exhibit 17(e)	—	Historical Summary of Statistical Data -	52

Table of Contents

			Firefighters Retirement System	
	Exhibit 17(f)	—	Historical Summary of Statistical Data - Judges Retirement System	53
	Exhibit 17(g)	—	Historical Summary of Statistical Data - Legislative And Governors Retirement System	54
	Exhibit 17(H)	—	Historical Summary of Statistical Data - Tier II Public Employees' Retirement System	55
	Exhibit 17(I)	—	Historical Summary of Statistical Data - Tier II Public Safety and Firefighter Hybrid Retirement System	56
	Supp Exhibit 1(a)	—	Tier I Retirement Contribution Rates	57
	Supp Exhibit 1(B)	—	Tier II Retirement Contribution Rates	58
	Supp Exhibit 1(C)	—	Retirement Contribution Rate Guide	59
Section D	**Assessment and Disclosure of Risk**			61
Appendix 1	**Statement of Actuarial Assumptions and Methods**			68
Appendix 2	**Summary of Principal Plan Provisions**			
	Public Employees' Retirement Systems (Contributory and Noncontributory)			94
	Public Safety Retirement Systems (Contributory and Noncontributory)			99
	Firefighters Retirement System			104
	Judges' Retirement System			108
	Governors and Legislative Pension Plan			111
	Tier II Public Employees' Hybrid Retirement System			114
	Tier II Public Safety and Firefighters Hybrid Retirement System			118
Appendix 3	**Glossary**			123

SECTION A

EXECUTIVE SUMMARY

Executive Summary and Contribution Requirements

- There are several funds that meet the criteria for a reduction in the contribution rate under the Contribution Rate Management Plan (CRMP) beginning July 1, 2027. The following contribution rates will decrease upon approval by the Board.
  - The certified contribution rate for the Noncontributory Local Government Fund (Fund 15) will decrease from 14.97% of pay to 14.61% of pay
  - The certified contribution rate for the Noncontributory State and School Fund (Fund 16) will decrease from 21.19% of pay to 20.69% of pay
  - Contribution rates for several Tier I Public Safety will decrease by 0.50%-1.00% of pay, with the Other Division B (4% COLA) fund to decrease by 2.00% of pay
  - The certified net contribution rate for the Firefighter Division B Fund (Fund 32) will decrease from 0.34% of pay to 0.00% of pay, and the member rate will decrease by 1.66% of pay to 15.05% of pay. Additionally, this fund will no longer receive an allocation of the fire insurance premium taxes.
- The certified contribution rate for the defined benefit portion of the Tier II Public Employee Retirement System will remain unchanged at 11.30% of pay, of which the members contribute 1.30% of pay.
- The certified contribution rate for the Tier II Public Safety and Firefighter System will remain unchanged at 19.98% of pay, of which the members contribute 5.98% of pay.
- Due to an increase in the average court fee receipts relative to payroll, the net employer contribution rates for the Judicial fund decreased by 0.52% of pay to 45.48% of pay.
  - 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 $1.7 billion for fiscal year 2028.
  - Total employer contributions to the system will decrease by approximately $51 million for fiscal year 2028 due to net changes in the employer contribution rates.

♦ Exhibits 1(a) and 1(b) show the recommended contribution rates for FY 2028, and compare these to the rates certified for FY 2027 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 Division A and the Judges System are shown.
- Rates shown on Exhibits 1(a) and 1(b), column 6 are for the twelve-month period beginning July 1, 2027 (FY 2028).
- The rates for FY 2028 may need to be adjusted for the effect of any 2027 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 2027 (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, there was one fund (i.e. Tier 1 Firefighters Division A Fund) that experienced an increase in the calculated contribution rates from the prior year
- Amortization payments for the calculated contribution rates are based on:
  - A 20-year open amortization period (including the Higher Education funds so long as these funds are overfunded),
    - Except for the Governors and Legislators Plan, which is amortized over a closed 8-year period,
  - 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 on plan assets was 12.7%, net of investment and administrative expenses, on a market-value basis during 2025
  - The actual market value as of December 31, 2025 ($53.295 billion) was $2.805 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 are 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, 2026, there is a net $1.664 billion of deferred investment gains that will be recognized in the next four years and the actuarial value of assets is 96.9% of the market value of assets
- The Governors and Legislative Plan was 99.7% funded as of January 1, 2026. We recommend a $344,497 appropriation be made to the plan on or before June 30, 2028. 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 amortization percent (UAAL%) is the amount required to finance the difference between the actuarial accrued liability and the actuarial value of assets in accordance with the Board's funding policy. 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). The 20-year open amortization period will only be used for the higher education funds while these funds have plan assets that exceed their actuarial accrued liability. Column 3 of Exhibit 2(a) shows the UAAL% of the calculated rates for each fund.

Determination of Calculated Contribution Rates

The 3% Substantial Substitute component of the employer contribution rate is only required for funds whose members are employees of the state (or who are paid by state funding). This piece is the amount necessary to fund the 3% Substantial Substitute. It is shown in column 4 of Exhibit 2(a), and is described in greater detail later. The last piece of the contribution rate is the offset. The Tier 1 Division A Firefighter Fund (Fund 31) receives a portion of the fire insurance premium taxes collected by the state. 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 2028. 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[1]	Change in Actuarially Determined Contribution Rate	Margin in Contribution Rate[2]	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

[1] The maximum effective funding period must be maintained after the contribution rate is reduced.

[2] 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 110% 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.

This year the Tier 1 Public Employee Local Government and State and School Funds meets the criteria for a reduction in the contribution rate for the fiscal year ending June 30, 2028. This is also the case for several Tier 1 Public Safety Funds and the Tier 1 Firefighter Division B Fund.

Financial Data and Experience

As of December 31, 2025, the retirement systems that are part of URS have a total market value of $53.295 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 2025 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, 64% 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 2025 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, 2026, the five-year smoothed asset value is $51.630 billion for all systems combined, or about 97% of the market value of assets.

During 2025, the total investment return on market values was 12.7%, 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 2025, this return was 7.8%. Because this is more than the 6.85% investment return assumption (for 2025), 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 and the 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, 2025. 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 remains relatively unchanged from 101,121 in 2025 to 101,187 in 2026. On the other hand, the number of public safety and firefighters increased from 12,260 in 2025 to 12,635 in 2026. The following table provides the number of Tier I and Tier II employees as of the valuation date for these two groups.

Tier I and Tier II Employee Count

	Tier I	Tier II Hybrid Plan	Tier II Defined Contribution[1]	Total
All Public Employee Funds[2]	38,434	49,162	13,591	101,187
All Public Safety and Firefighter Funds	4,214	7,251	1,170	12,635

[1] 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.

[2] 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 81,922 to 84,298. There continues to be 1.4 employees (including employees covered by the defined contribution plan) for every retiree in the Retirement System and has remained that ratio since 2022.

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 this year's actuarial 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. An experience analysis was carried out in connection with this valuation, and as a result, we recommended a number of changes to the actuarial assumptions for use in this actuarial valuation that include the following:

- Price inflation assumption - increase the price inflation assumption by 0.10% to 2.60%. This also resulted in a 0.10% increase in the COLA assumption for the 4.00% maximum COLA funds;
- Investment return assumption – increase the investment return assumption by 0.10% to 6.95%;
- Salary increase assumption – increase the wage inflation assumption component of the individual salary assumption by 0.10% for public employees (i.e. educators, local government, and state employees) and firefighters. We also recommend additional increases at several service intervals for some of the employee groups such as public safety members;
- Mortality assumption – no change to the mortality assumption for nondisabled retirees. Update the mortality assumption for active members and disabled retirees to the family of PUB-16 mortality tables;
- Retirement rates – reductions in the reduced retirement rates for state employees (male and female) and local government members (female only). We also recommend slight reductions in the normal retirement rates for state females, male educators, and public safety members. The rates of retirement for members in both Tier II hybrid funds remains unchanged;
- Disability incidence – reduction in the disability rates for males in each of the public employee groups (state, local government, and educators) as well as female educators;
- Termination rates – no changes to the termination rates for all membership groups, except firefighters, where we are recommending a slight increase in the rates of termination.

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, 2026, we are recommending an appropriation for fiscal year 2028. 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 2028. 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 2028 is $344,497. The allocation of this appropriation to the Governor's Office, House, and Senate is $40,858, $218,968, and $84,671, 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 benefits being earned by the current governor as well as 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, 2026 included:

- Utah Valley University
- Dixie State College
- Salt Lake Community College
- Snow College
- Dixie Technical College
- Space Dynamics Lab
- Southern Utah University (new for 2026)
- 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 separate risk pools because they are classifying all their new employees as being ineligible for participation in URS. This ensures the other employers in URS are not subsidizing the cost of funding benefits to current and former members of these employers.

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.

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. The minimum contribution requirement for these funds has historically been determined on a level-dollar basis over a closed funding period (20 years from January 1, 2017) and as of 2026, there are 11 years remaining in the funding period. However, both of these funds are now over 100% funded and the valuation will now be amortizing a funding surplus (a credit against the normal cost rate) based on a 20-year open amortization period while the funds are over 100% funded. As permitted by §49-11-301(5), the Board of Trustees may maintain the certified 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 2028 fiscal year for these funds will be the same contribution rate these employers are currently contributing for the 2027 fiscal year.

Firefighters and Judges Offsets

In 2026, the legislature modified the allocation of the State Insurance Premium Tax such that beginning in 2027 and each year thereafter, the State will dedicate the first $5.0 million in insurance premium revenues to fund the Tier 1 Firefighter benefits in URS. In conjunction with this change, the Utah State Retirement Board approved the dedication of all the $5.0 million of the premium tax revenues to the Tier 1 Division A Firefighter Fund (Fund 31). 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.

Historically, the offset for Fund 31 has been 11.06% of pay. For FY 2028, the revenues to finance the current target offset of 11.06% is approximately $5.5 million, or $0.5 million more than the State dedicated revenue. The current calculated employer contribution is 9.68% of pay. Over time, the $5 million in annual dedicated insurance premium revenue is expected to be sufficient to fund the Gross Certified Employer Contribution rate, as it is expected to decrease in future years in accordance with the contribution rate management plan. Therefore, we believe that maintaining the 11.06% target office and the current net certified contribution rate remains reasonable.

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.

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 2028. 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 increased from the prior year as a percentage of payroll, the offset for the Judges System will increase from 5.91% to 6.43%.

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 2025.

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 0.30%, 0.55% 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	Prior Year Valuation Certified Rates for FY 2027			Current Year Valuation Recommended Rates for FY 2028			Increase/ (Decrease)
	Member	Employer	Total	Member	Employer	Total	in Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I. Public Employees Contributory							
A. Local Government	6.00%	10.96%	16.96%	6.00%	10.60%	16.60%	-0.36%
B. State and School	6.00%	16.70%	22.70%	6.00%	16.20%	22.20%	-0.50%
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%	14.97%	14.97%	0.00%	14.61%	14.61%	-0.36%
B. State and School	0.00%	21.19%	21.19%	0.00%	20.69%	20.69%	-0.50%
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%	21.79%	34.08%	12.29%	20.79%	33.08%	-1.00%
IV. Public Safety Noncontributory							
A. State	0.00%	39.85%	39.85%	0.00%	39.35%	39.35%	-0.50%
B. Other Division A (2.5% COLA)	0.00%	32.54%	32.54%	0.00%	31.54%	31.54%	-1.00%
C. Other Division A (4% COLA)	0.00%	34.21%	34.21%	0.00%	33.21%	33.21%	-1.00%
D. Salt Lake City	0.00%	46.71%	46.71%	0.00%	46.21%	46.21%	-0.50%
E. Ogden	0.00%	48.72%	48.72%	0.00%	48.22%	48.22%	-0.50%
F. Provo	0.00%	42.23%	42.23%	0.00%	41.73%	41.73%	-0.50%
G. Logan	0.00%	40.47%	40.47%	0.00%	39.47%	39.47%	-1.00%
H. Bountiful	0.00%	50.38%	50.38%	0.00%	49.88%	49.88%	-0.50%
I. Other Division B (2.5% COLA)	0.00%	32.57%	32.57%	0.00%	32.07%	32.07%	-0.50%
J. Other Division B (4% COLA)	0.00%	33.97%	33.97%	0.00%	31.97%	31.97%	-2.00%
V. Firefighters							
A. Division A							
1. Gross Rate	15.05%	12.67%	27.72%	15.05%	12.67%	27.72%	0.00%
2. Less Estimated Offset	0.00%	-11.06%	-11.06%	0.00%	-11.06%	-11.06%	0.00%
3. Net Rate	15.05%	1.61%	16.66%	15.05%	1.61%	16.66%	0.00%
B. Division B							
1. Gross Rate	16.71%	11.40%	28.11%	15.05%	0.00%	15.05%	-13.06%
2. Less Estimated Offset	0.00%	-11.06%	-11.06%	0.00%	0.00%	0.00%	-11.06%
3. Net Rate	16.71%	0.34%	17.05%	15.05%	0.00%	15.05%	-2.00%
VI. Judges							
A. Gross Rate	0.00%	51.91%	51.91%	0.00%	51.91%	51.91%	0.00%
B. Less Estimated Offset	0.00%	-5.91%	-5.91%	0.00%	-6.43%	-6.43%	-0.52%
C. Net Rate	0.00%	46.00%	46.00%	0.00%	45.48%	45.48%	-0.52%

Note: Rates reflect 3% Substantial Substitute where applicable.

The recommended contribution rate for the Public Employees Retirement Funds for FY 2027 and FY 2028 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	Prior Year Valuation Certified Rates for FY 2027			Current Year Valuation Recommended Rates for FY 2028			Increase/ (Decrease)
	Member	Employer	Total	Member	Employer	Total	in Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I. Public Employees Contributory							
A. Local Government	1.30%	14.95%	16.25%	1.30%	14.59%	15.89%	-0.36%
II. Public Employees Noncontributory							
A. Local Government	1.30%	13.19%	14.49%	1.30%	12.83%	14.13%	-0.36%
B. State and School	1.30%	19.02%	20.32%	1.30%	18.52%	19.82%	-0.50%
C. Higher Education	1.30%	20.02%	21.32%	1.30%	20.02%	21.32%	0.00%
III. Public Safety Contributory							
A. Other Division A (2.5% COLA)	5.98%	24.85%	30.83%	5.98%	23.85%	29.83%	-1.00%
IV. Public Safety Noncontributory							
A. State	5.98%	31.04%	37.02%	5.98%	30.54%	36.52%	-0.50%
B. Other Division A (2.5% COLA)	5.98%	24.33%	30.31%	5.98%	23.33%	29.31%	-1.00%
C. Other Division A (4% COLA)	5.98%	25.49%	31.47%	5.98%	24.49%	30.47%	-1.00%
D. Salt Lake City	5.98%	38.28%	44.26%	5.98%	37.78%	43.76%	-0.50%
E. Ogden	5.98%	40.38%	46.36%	5.98%	39.88%	45.86%	-0.50%
F. Provo	5.98%	33.69%	39.67%	5.98%	33.19%	39.17%	-0.50%
G. Logan	5.98%	31.95%	37.93%	5.98%	30.95%	36.93%	-1.00%
H. Bountiful	5.98%	40.97%	46.95%	5.98%	40.47%	46.45%	-0.50%
I. Other Division B (2.5% COLA)	5.98%	24.03%	30.01%	5.98%	23.53%	29.51%	-0.50%
J. Other Division B (4% COLA)	5.98%	25.02%	31.00%	5.98%	23.02%	29.00%	-2.00%
V. Firefighters							
A. Division A	5.98%	14.08%	20.06%	5.98%	14.08%	20.06%	0.00%
B. Division B	5.98%	14.08%	20.06%	5.98%	14.08%	20.06%	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 2027 and FY 2028 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	Actuarially Calculated Rates for Current Year*	Certified Rates from Prior Year*	Contribution Rate Management Adjustment**	Larger of Columns (2 or 3+4)*	Recommended Rates Including 3% Substantial Substitute
(1)	(2)	(3)	(4)	(5)	(6)
I. Public Employees Contributory					
A. Local Government	9.60%	10.96%	-0.36%	10.60%	10.60%
B. State and School	12.28%	15.85%	-0.50%	15.35%	16.20%
C. Higher Education	2.23%	16.85%	0.00%	16.85%	17.70%
II. Public Employees Noncontributory					
A. Local Government	13.61%	14.97%	-0.36%	14.61%	14.61%
B. State and School	16.77%	20.34%	-0.50%	19.84%	20.69%
C. Higher Education	6.72%	21.34%	0.00%	21.34%	22.19%
III. Public Safety Contributory					
A. Other Division A (2.5% COLA)	16.42%	21.79%	-1.00%	20.79%	20.79%
IV. Public Safety Noncontributory					
A. State	29.49%	39.00%	-0.50%	38.50%	39.35%
B. Other Division A (2.5% COLA)	27.73%	32.54%	-1.00%	31.54%	31.54%
C. Other Division A (4% COLA)	28.31%	34.21%	-1.00%	33.21%	33.21%
D. Salt Lake City	30.74%	46.71%	-0.50%	46.21%	46.21%
E. Ogden	30.25%	48.72%	-0.50%	48.22%	48.22%
F. Provo	29.63%	42.23%	-0.50%	41.73%	41.73%
G. Logan	29.60%	40.47%	-1.00%	39.47%	39.47%
H. Bountiful	31.95%	50.38%	-0.50%	49.88%	49.88%
I. Other Division B (2.5% COLA)	29.24%	32.57%	-0.50%	32.07%	32.07%
J. Other Division B (4% COLA)	14.58%	33.97%	-2.00%	31.97%	31.97%
V. Firefighters					
A. Division A	9.68%	12.67%	0.00%	12.67%	12.67%
B. Division B	0.00%	11.40%	-11.40%	0.00%	0.00%
VI. Judges	45.19%	51.06%	0.00%	51.06%	51.91%
VII. 3% Substantial Substitute	0.30%	0.85%	0.00%	0.85%	N/A

* Rates exclude 3% Substantial Substitute

** Contribution rate adjustment based on prior year's valuation. Conditions were met in the prior year but contribution rates were maintained for all funds due to current economic conditions.

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).

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 *Certified* 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	11.30%	10.75%	1.30%	10.00%	0.00%	10.00%	4.51%	14.51%
II. Public Employees Noncontributory								
A. Local Government	11.30%	10.75%	1.30%	10.00%	0.00%	10.00%	2.75%	12.75%
B. State and School	11.30%	10.75%	1.30%	10.00%	0.00%	10.00%	8.44%	18.44%
C. Higher Education	11.30%	10.75%	1.30%	10.00%	0.00%	10.00%	9.94%	19.94%
III. Public Safety Contributory								
A. Other Division A (2.5% COLA)	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	9.77%	23.77%
IV. Public Safety Noncontributory								
A. State	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	16.46%	30.46%
B. Other Division A (2.5% COLA)	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	9.25%	23.25%
C. Other Division A (4% COLA)	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	10.41%	24.41%
D. Salt Lake City	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	23.70%	37.70%
E. Ogden	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	25.80%	39.80%
F. Provo	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	19.11%	33.11%
G. Logan	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	16.87%	30.87%
H. Bountiful	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	26.39%	40.39%
I. Other Division B (2.5% COLA)	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	9.45%	23.45%
J. Other Division B (4% COLA)	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	8.94%	22.94%
V. Firefighters								
A. Division A	19.98%	18.83%	5.98%	14.00%	0.00%	14.00%	0.00%	14.00%
B. Division B	19.98%	18.83%	5.98%	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	Net Normal Cost	Amortization of UAAL	3% Substantial Substitute	Gross Employer Rate (2 + 3 + 4)	Offset	Net Employer Rate[1] (5 - 6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. Public Employees Contributory						
A. Local Government	6.74%	2.86%	0.00%	9.60%	0.00%	9.60%
B. State and School	6.46%	5.82%	0.30%	12.58%	0.00%	12.58%
C. Higher Education	5.96%	-3.73%	0.30%	2.53%	0.00%	2.53%
II. Public Employees Noncontributory						
A. Local Government	12.56%	1.05%	0.00%	13.61%	0.00%	13.61%
B. State and School	14.11%	2.66%	0.30%	17.07%	0.00%	17.07%
C. Higher Education	13.67%	-6.95%	0.30%	7.02%	0.00%	7.02%
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	14.84%	1.58%	0.00%	16.42%	0.00%	16.42%
IV. Public Safety Noncontributory						
A. State	26.48%	3.01%	0.30%	29.79%	0.00%	29.79%
B. Other Division A (2.5% COLA)	26.15%	1.58%	0.00%	27.73%	0.00%	27.73%
C. Other Division A (4% COLA)	26.40%	1.91%	0.00%	28.31%	0.00%	28.31%
D. Salt Lake City	26.35%	4.39%	0.00%	30.74%	0.00%	30.74%
E. Ogden	26.35%	3.90%	0.00%	30.25%	0.00%	30.25%
F. Provo	26.43%	3.20%	0.00%	29.63%	0.00%	29.63%
G. Logan	26.64%	2.96%	0.00%	29.60%	0.00%	29.60%
H. Bountiful	26.33%	5.62%	0.00%	31.95%	0.00%	31.95%
I. Other Division B (2.5% COLA)	26.34%	2.90%	0.00%	29.24%	0.00%	29.24%
J. Other Division B (4% COLA)	26.64%	-12.06%	0.00%	14.58%	0.00%	14.58%
V. Firefighters						
A. Division A	11.20%	-1.52%	0.00%	9.68%	11.06%	0.00%
B. Division B	11.04%	-11.04%	0.00%	0.00%	0.00%	0.00%
VI. Judges	30.62%	14.57%	0.30%	45.49%	6.43%	39.06%
VII. Tier II - Hybrid Plans[2]						
A. Public Employees	10.14%	0.61%	0.00%	10.75%	0.00%	10.75%
B. Public Safety and Firefighter	17.83%	1.00%	0.00%	18.83%	0.00%	18.83%

[1] 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).

[2] 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. Development of the Tier 1 Firefighter Fund Offset (Fund 31 Division A)

1.	Payroll		
	1.a. Tier I payroll	$	39,942,858
	1.b. Tier II payroll (hybrid and defined contribution plan)		73,579,548
2.	Gross Certified Employer Contribution Rate		
	2.a. Employer normal cost rate		11.20%
	2.b. Amortization rate		1.47%
	2.c. Certified employer contribution rate		12.67%
3.	Target offset to Gross Certified Employer Contribution Rate		**11.06%**
	3.a. Contributions to finance the amortization cost:	$	1,668,779
	3.b. Remaining target offset to finance the employer normal cost rate:		3,830,520
	3.c. Total contributions required for the target offset:	$	5,499,299
4.	Anticipated Annual Appropriated State Insurance Premium Tax	$	5,000,000
5.	Projected Excess / (Deficiency) for FY 2028 (Item 4. less Item 3.c.)	$	(499,299)

B. Judge's Offset

1.	Calendar year		2023		2024		2025
2.	Court fees	$	1,604,732	$	1,755,106	$	2,068,858
3.	3-year average of court fees					$	1,809,565
4.	Payroll						28,145,707
5.	Offset: average of court fees as a percent of payroll						6.43%

EXHIBIT 3(A)

Schedule of Funding Progress

Fund/Division	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(3 - 2)	(2 / 3)		(4 / 6)
I. Public Employees Contributory						
A. Local Government	447,746	455,631	7,885	98.3%	7,458	105.7%
B. State and School	604,091	609,968	5,877	99.0%	3,159	186.0%
C. Higher Education	155,079	154,317	(762)	100.5%	1,829	-41.7%
D. Subtotal	1,206,916	1,219,916	13,000	98.9%	12,446	104.5%
II. Public Employees Noncontributory						
A. Local Government	8,175,676	8,475,816	300,140	96.5%	790,103	38.0%
B. State and School	27,839,258	29,862,230	2,022,972	93.2%	2,454,319	82.4%
C. Higher Education	2,794,315	2,634,419	(159,896)	106.1%	205,183	-77.9%
D. Subtotal	38,809,249	40,972,465	2,163,216	94.7%	3,449,605	62.7%
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	104,071	105,145	1,074	99.0%	1,581	67.9%
IV. Public Safety Noncontributory						
A. State	1,931,426	2,037,610	106,184	94.8%	106,461	99.7%
B. Other Division A (2.5% COLA)	1,673,070	1,732,812	59,742	96.6%	103,252	57.9%
C. Other Division A (4% COLA)	532,805	550,915	18,110	96.7%	24,331	74.4%
D. Salt Lake City	481,543	518,099	36,556	92.9%	27,550	132.7%
E. Ogden	98,322	105,339	7,017	93.3%	3,629	193.4%
F. Provo	81,609	86,167	4,558	94.7%	4,039	112.8%
G. Logan	44,292	46,146	1,854	96.0%	1,787	103.7%
H. Bountiful	30,797	33,467	2,670	92.0%	1,305	204.6%
I. Other Division B (2.5% COLA)	782,989	832,010	49,021	94.1%	52,903	92.7%
J. Other Division B (4% COLA)	94,144	86,072	(8,072)	109.4%	4,699	-171.8%
K. Subtotal	5,750,997	6,028,637	277,640	95.4%	329,956	84.1%
V. Firefighters						
A. Division A	427,677	419,227	(8,450)	102.0%	39,116	-21.6%
B. Division B	1,605,447	1,415,249	(190,198)	113.4%	80,855	-235.2%
C. Subtotal	2,033,124	1,834,476	(198,648)	110.8%	119,971	-165.6%
VI. Judges	318,606	375,653	57,047	84.8%	27,696	206.0%
VII. Governors and Legislative	13,153	13,196	43	99.7%	348	12.4%
VIII. 3% Substantial Substitute	247,218	500,325	253,107	49.4%	N/A	N/A
IX. Tier II - Hybrid Plans						
A. Public Employees	2,599,099	2,912,580	313,481	89.2%	3,284,377	9.5%
B. Public Safety and Firefighter	547,840	635,457	87,617	86.2%	547,664	16.0%
X. Grand Total	51,630,273	54,597,850	2,967,577	94.6%	7,773,644	38.2%

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

EXHIBIT 3(B)

Comparison of Funded Ratios

Fund/Division	Funded Ratios as of January 1 2026	2025	2024
(1)	(2)	(3)	(4)
I. Public Employees Contributory			
A. Local Government	98.3%	97.9%	97.8%
B. State and School	99.0%	98.9%	98.6%
C. Higher Education	100.5%	100.4%	100.2%
D. Subtotal	98.9%	98.7%	98.5%
II. Public Employees Noncontributory			
A. Local Government	96.5%	95.4%	95.3%
B. State and School	93.2%	91.6%	92.1%
C. Higher Education	106.1%	104.2%	103.0%
D. Subtotal	94.7%	93.1%	93.5%
III. Public Safety Contributory			
A. Other Division A (2.5% COLA)	99.0%	97.9%	97.7%
IV. Public Safety Noncontributory			
A. State	94.8%	92.3%	92.1%
B. Other Division A (2.5% COLA)	96.6%	92.6%	92.2%
C. Other Division A (4% COLA)	96.7%	93.9%	92.8%
D. Salt Lake City	92.9%	87.1%	86.5%
E. Ogden	93.3%	88.8%	86.5%
F. Provo	94.7%	88.9%	86.5%
G. Logan	96.0%	94.6%	92.0%
H. Bountiful	92.0%	87.7%	86.0%
I. Other Division B (2.5% COLA)	94.1%	91.1%	89.6%
J. Other Division B (4% COLA)	109.4%	109.0%	106.1%
K. Subtotal	95.4%	92.0%	91.3%
V. Firefighters			
A. Division A	102.0%	103.9%	104.8%
B. Division B	113.4%	112.1%	112.3%
C. Subtotal	110.8%	110.3%	110.7%
VI. Judges	84.8%	83.8%	86.4%
VII. Governors and Legislative	99.7%	98.2%	94.9%
VIII. 3% Substantial Substitute	49.4%	49.1%	48.7%
IX. Tier II - Hybrid Plans			
A. Public Employees	89.2%	86.2%	87.3%
B. Public Safety and Firefighter	86.2%	79.3%	88.0%
X. Grand Total	94.6%	92.8%	93.1%

EXHIBIT 4(A)

Analysis of Changes in Calculated Contribution Rates

Fund/Division	Calculated Rate From Jan. 1, 2025 Valuation	Changes in Calculated Rate Due To: Payroll Growth	Investment Return	Liabilities	Benefit Changes	New Risk Pools	Act. vs Exp. Contributions	Assumption & Methods Change	Calculated Rate Jan. 1, 2026 Valuation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
I. Public Employees Contributory									
A. Local Government	9.92%	-0.06%	-0.28%	0.32%	0.00%	0.00%	-0.26%	-0.04%	9.60%
B. State and School	13.24%	-0.01%	-0.33%	0.22%	0.00%	0.00%	-0.42%	-0.12%	12.58%
C. Higher Education	3.39%	-0.11%	-1.18%	-0.13%	0.00%	0.08%	-1.71%	2.19%	2.53%
II. Public Employees Noncontributory									
A. Local Government	13.93%	-0.06%	-0.28%	0.32%	0.00%	0.00%	-0.26%	-0.04%	13.61%
B. State and School	17.73%	-0.01%	-0.33%	0.22%	0.00%	0.00%	-0.42%	-0.12%	17.07%
C. Higher Education	7.88%	-0.11%	-1.18%	-0.13%	0.00%	0.08%	-1.71%	2.19%	7.02%
III. Public Safety Contributory									
A. Other Division A (2.5% COLA)	18.81%	-0.08%	-0.42%	-0.06%	0.00%	0.00%	-0.50%	-1.33%	16.42%
IV. Public Safety Noncontributory									
A. State	31.63%	0.00%	-0.50%	0.43%	0.00%	0.00%	-0.90%	-0.87%	29.79%
B. Other Division A (2.5% COLA)	30.28%	-0.08%	-0.42%	-0.19%	0.00%	0.00%	-0.50%	-1.36%	27.73%
C. Other Division A (4% COLA)	30.58%	-0.16%	-0.52%	-0.07%	0.00%	0.00%	-0.60%	-0.92%	28.31%
D. Salt Lake City	35.91%	-0.61%	-0.53%	-1.32%	0.00%	0.00%	-1.15%	-1.56%	30.74%
E. Ogden	34.54%	-0.88%	-0.50%	-0.02%	0.00%	0.00%	-1.46%	-1.43%	30.25%
F. Provo	34.39%	-0.30%	-0.53%	-1.59%	0.00%	0.00%	-0.90%	-1.44%	29.63%
G. Logan	31.03%	0.15%	-0.63%	1.68%	0.00%	0.00%	-0.97%	-1.66%	29.60%
H. Bountiful	36.41%	-0.45%	-0.58%	-0.43%	0.00%	0.00%	-1.33%	-1.67%	31.95%
I. Other Division B (2.5% COLA)	31.40%	-0.08%	-0.41%	0.10%	0.00%	0.00%	-0.37%	-1.40%	29.24%
J. Other Division B (4% COLA)	16.50%	-0.52%	-1.26%	4.22%	0.00%	0.00%	-2.91%	-1.45%	14.58%
V. Firefighters									
A. Division A	9.58%	-0.03%	-0.65%	1.92%	0.00%	0.00%	-0.08%	-1.06%	9.68%
B. Division B	-3.99%	-0.47%	-1.30%	0.91%	0.00%	0.00%	-1.04%	-1.31%	-7.20%
VI. Judges	46.95%	-0.52%	-0.74%	0.44%	0.00%	0.00%	-0.56%	-0.08%	45.49%
VII. 3% Substantial Substitute	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.01%	0.00%	0.30%
VIII. Tier II - Hybrid Plans									
A. Public Employees	11.30%	-0.02%	-0.04%	-0.09%	0.00%	0.00%	0.04%	-0.44%	10.75%
B. Public Safety and Firefighter	19.98%	-0.09%	-0.06%	-0.01%	0.00%	0.00%	0.07%	-1.06%	18.83%

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	Jan. 1, 2025 UAAL	Changes in Unfunded Actuarial Accrued Liability Due To: Amortization Payments	Liability (Gain)\Loss	Asset (Gain)\Loss	Change in Benefit Provisions	New Risk Pools	Change in Assumptions	Other Asset Transfers	Jan. 1, 2026 UAAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
I. Public Employees Contributory									
A. Local Government	9,602	(266)	7,001	(7,573)	0	0	(209)	(670)	7,885
B. State and School	6,915	70	(21,146)	16,391	0	3	(236)	3,880	5,877
C. Higher Education	(634)	(251)	10,878	(16,165)	0	(3)	90	5,323	(762)
D. Subtotal	15,883	(447)	(3,267)	(7,347)	0	0	(355)	8,533	13,000
II. Public Employees Noncontributory									
A. Local Government	373,024	(77,696)	101,013	(71,331)	0	0	(25,540)	670	300,140
B. State and School	2,445,470	(312,131)	277,156	(275,118)	0	6,032	(114,557)	(3,880)	2,022,972
C. Higher Education	(103,556)	(33,286)	18,639	(11,481)	0	(6,032)	(18,857)	(5,323)	(159,896)
D. Subtotal	2,714,938	(423,113)	396,808	(357,930)	0	0	(158,954)	(8,533)	2,163,216
III. Public Safety Contributory									
A. Other Division A (2.5% COLA)	2,330	(248)	(845)	(2,193)	0	0	(505)	2,535	1,074
IV. Public Safety Noncontributory									
A. State	152,744	(31,837)	20,058	(17,617)	0	0	(17,164)	0	106,184
B. Other Division A (2.5% COLA)	124,926	(19,181)	(1,533)	(13,932)	0	0	(28,003)	(2,535)	59,742
C. Other Division A (4% COLA)	32,677	(5,792)	780	(4,938)	0	0	(4,617)	0	18,110
D. Salt Lake City	66,344	(9,832)	(7,807)	(4,377)	0	0	(7,772)	0	36,556
E. Ogden	11,689	(2,686)	334	(904)	0	0	(1,416)	0	7,017
F. Provo	9,571	(1,319)	(1,718)	(768)	0	0	(1,208)	0	4,558
G. Logan	2,388	(613)	1,130	(396)	0	0	(655)	0	1,854
H. Bountiful	4,117	(653)	(44)	(276)	0	0	(474)	0	2,670
I. Other Division B (2.5% COLA)	71,505	(6,206)	3,850	(7,096)	0	0	(13,032)	0	49,021
J. Other Division B (4% COLA)	(7,355)	(1,926)	2,708	(849)	0	0	(650)	0	(8,072)
K. Subtotal	468,606	(80,045)	17,758	(51,153)	0	0	(74,991)	(2,535)	277,640
V. Firefighters									
A. Division A	(14,943)	(190)	11,348	(3,642)	0	0	(1,023)	0	(8,450)
B. Division B	(165,508)	(11,172)	5,010	(14,987)	0	0	(3,541)	0	(190,198)
C. Subtotal	(180,451)	(11,362)	16,358	(18,629)	0	0	(4,564)	0	(198,648)
VI. Judges	58,060	(2,290)	4,689	(2,930)	0	0	(482)	0	57,047
VII. Governors and Legislative	232	(343)	344	(136)	0	0	(54)	0	43
VIII. 3% Substantial Substitute	257,857	(8,486)	6,559	(784)	0	0	(2,039)	0	253,107
IX. Tier II - Hybrid Plans									
A. Public Employees	336,034	5,314	14,892	(19,699)	0	0	(23,060)	0	313,481
B. Public Safety and Firefighter	108,466	2,391	(7,088)	(4,207)	0	0	(11,945)	0	87,617
X. Grand Total	3,781,955	(518,629)	446,208	(465,008)	0	0	(276,949)	0	2,967,577

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	Retirees and Beneficiaries	Inactive Members	Active Members	Total
(1)	(2)	(3)	(4)	(5)
I. Public Employees Contributory				
A. Local Government	387,795	25,979	46,888	460,663
B. State and School	573,691	8,808	28,471	610,969
C. Higher Education	129,058	8,428	17,463	154,949
D. Subtotal	1,090,544	43,215	92,822	1,226,581
II. Public Employees Noncontributory				
A. Local Government	4,256,514	608,514	4,323,346	9,188,375
B. State and School	16,588,121	1,335,885	14,507,684	32,431,690
C. Higher Education	1,369,940	276,654	1,186,658	2,833,251
D. Subtotal	22,214,575	2,221,053	20,017,688	44,453,316
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	88,869	7,033	11,923	107,825
IV. Public Safety Noncontributory				
A. State	1,254,423	103,205	840,250	2,197,878
B. Other Division A (2.5% COLA)	971,713	132,952	785,748	1,890,412
C. Other Division A (4% COLA)	363,556	37,093	188,896	589,545
D. Salt Lake City	331,195	21,058	208,673	560,925
E. Ogden	76,208	8,069	27,425	111,701
F. Provo	56,227	2,609	33,448	92,284
G. Logan	28,903	3,612	16,178	48,693
H. Bountiful	21,101	4,308	9,944	35,353
I. Other Division B (2.5% COLA)	484,151	57,976	372,252	914,379
J. Other Division B (4% COLA)	57,901	4,025	32,039	93,965
K. Subtotal	3,645,378	374,907	2,514,853	6,535,135
V. Firefighters				
A. Division A	191,301	26,757	276,539	494,597
B. Division B	838,625	49,098	674,157	1,561,879
C. Subtotal	1,029,926	75,855	950,696	2,056,476
VI. Judges	248,795	7,640	191,056	447,491
VII. Governors and Legislative	9,294	3,189	873	13,356
VIII. Tier II - Hybrid Plans				
A. Public Employees	71,038	195,994	6,596,797	6,863,828
B. Public Safety and Firefighter	1,588	15,197	2,114,769	2,131,554
IX. Grand Total	28,400,007	2,944,083	32,491,477	63,835,562

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	Retired Members	Disabled Members	Beneficiaries	Total
(1)	(2)	(3)	(4)	(5)
I. Public Employees Contributory				
A. Local Government	348,122	3,302	36,371	387,795
B. State and School	524,836	8,139	40,716	573,691
C. Higher Education	116,587	0	12,471	129,058
D. Subtotal	989,545	11,441	89,558	1,090,544
II. Public Employees Noncontributory				
A. Local Government	3,870,671	50,321	335,522	4,256,514
B. State and School	15,378,459	134,887	1,074,775	16,588,121
C. Higher Education	1,281,358	4,282	84,300	1,369,940
D. Subtotal	20,530,488	189,490	1,494,597	22,214,575
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	70,631	1,027	17,210	88,869
IV. Public Safety Noncontributory				
A. State	1,146,521	8,721	99,181	1,254,423
B. Other Division A (2.5% COLA)	897,209	6,929	67,575	971,713
C. Other Division A (4% COLA)	337,123	2,985	23,448	363,556
D. Salt Lake City	293,637	3,766	33,792	331,195
E. Ogden	69,105	371	6,732	76,208
F. Provo	53,451	0	2,777	56,227
G. Logan	27,033	131	1,738	28,903
H. Bountiful	20,277	0	824	21,101
I. Other Division B (2.5% COLA)	450,113	2,303	31,735	484,151
J. Other Division B (4% COLA)	52,234	895	4,771	57,901
K. Subtotal	3,346,703	26,101	272,573	3,645,378
V. Firefighters				
A. Division A	164,267	10,678	16,356	191,301
B. Division B	715,276	36,309	87,039	838,625
C. Subtotal	879,543	46,987	103,395	1,029,926
VI. Judges	225,419	0	23,376	248,795
VII. Governors and Legislative	8,209	0	1,085	9,294
VIII. Tier II - Hybrid Plans				
A. Public Employees	69,903	0	1,135	71,038
B. Public Safety and Firefighter	378	0	1,210	1,588
IX. Grand Total	26,120,819	275,046	2,004,139	28,400,007

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	Disabled	Other Vested	Nonvested	Total
(1)	(2)	(3)	(4)	(5)
I. Public Employees Contributory				
A. Local Government	0	23,354	2,626	25,979
B. State and School	0	8,800	8	8,808
C. Higher Education	0	8,365	63	8,428
D. Subtotal	0	40,519	2,697	43,215
II. Public Employees Noncontributory				
A. Local Government	23,933	583,861	720	608,514
B. State and School	51,857	1,280,969	3,059	1,335,885
C. Higher Education	4,284	271,073	1,297	276,654
D. Subtotal	80,074	2,135,903	5,076	2,221,053
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	212	6,412	409	7,033
IV. Public Safety Noncontributory				
A. State	1,833	101,358	13	103,205
B. Other Division A (2.5% COLA)	2,173	130,756	23	132,952
C. Other Division A (4% COLA)	0	37,091	2	37,093
D. Salt Lake City	0	21,058	0	21,058
E. Ogden	0	8,069	0	8,069
F. Provo	0	2,608	1	2,609
G. Logan	0	3,612	0	3,612
H. Bountiful	0	4,308	0	4,308
I. Other Division B (2.5% COLA)	822	57,088	66	57,976
J. Other Division B (4% COLA)	0	4,025	0	4,025
K. Subtotal	4,828	369,973	105	374,907
V. Firefighters				
A. Division A	0	26,516	241	26,757
B. Division B	0	48,947	151	49,098
C. Subtotal	0	75,463	392	75,855
VI. Judges	0	7,640	0	7,640
VII. Governors and Legislative	0	3,187	3	3,189
VIII. Tier II - Hybrid Plans				
A. Public Employees	0	194,803	1,190	195,994
B. Public Safety and Firefighter	0	13,046	2,151	15,197
IX. Grand Total	85,114	2,846,946	12,023	2,944,083

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	Retirement	Deferred Termination	Disability	Refunds	Death	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. Public Employees Contributory						
A. Local Government	44,987	705	198	94	904	46,888
B. State and School	27,995	0	0	0	476	28,471
C. Higher Education	17,194	0	0	0	269	17,463
D. Subtotal	90,176	705	198	94	1,649	92,822
II. Public Employees Noncontributory						
A. Local Government	4,088,126	99,822	33,058	0	102,340	4,323,346
B. State and School	13,864,052	311,965	92,652	0	239,015	14,507,684
C. Higher Education	1,134,358	23,848	7,590	0	20,861	1,186,658
D. Subtotal	19,086,536	435,635	133,300	0	362,216	20,017,688
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	11,733	64	24	16	86	11,923
IV. Public Safety Noncontributory						
A. State	828,307	4,334	1,311	0	6,298	840,250
B. Other Division A (2.5% COLA)	773,898	4,587	1,360	0	5,903	785,748
C. Other Division A (4% COLA)	185,961	1,167	345	0	1,423	188,896
D. Salt Lake City	205,554	1,088	334	0	1,697	208,673
E. Ogden	26,889	239	63	0	233	27,425
F. Provo	32,987	137	48	0	275	33,448
G. Logan	15,949	73	20	0	135	16,178
H. Bountiful	9,839	26	8	0	71	9,944
I. Other Division B (2.5% COLA)	366,064	2,198	649	0	3,341	372,252
J. Other Division B (4% COLA)	31,433	226	70	0	309	32,039
K. Subtotal	2,476,881	14,075	4,208	0	19,685	2,514,853
V. Firefighters						
A. Division A	269,155	1,242	2,406	312	3,424	276,539
B. Division B	660,936	1,631	2,796	381	8,411	674,157
C. Subtotal	930,091	2,873	5,202	693	11,835	950,696
VI. Judges	187,205	0	0	0	3,850	191,056
VII. Governors and Legislative	735	126	0	0	12	873
VIII. Tier II - Hybrid Plans						
A. Public Employees	5,464,009	850,879	76,592	4,707	200,610	6,596,797
B. Public Safety and Firefighter	1,923,244	110,622	35,478	2,481	42,944	2,114,769
IX. Grand Total	30,170,610	1,414,979	255,002	7,991	642,887	32,491,477

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

EXHIBIT 5(E)

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

Fund/Division	Basic Benefit	COLA	Subtotal (2) + (3)	ROPP	Total (4) + (5)
(1)	(2)	(3)	(4)	(5)	(6)
I. Public Employees Contributory					
A. Local Government	259,775	128,016	387,791	4	387,795
B. State and School	379,082	194,593	573,675	15	573,691
C. Higher Education	88,527	40,530	129,057	0	129,058
D. Subtotal	727,384	363,139	1,090,523	19	1,090,544
II. Public Employees Noncontributory					
A. Local Government	2,945,064	1,311,450	4,256,514	0	4,256,514
B. State and School	11,229,048	5,359,073	16,588,121	0	16,588,121
C. Higher Education	955,572	414,368	1,369,940	0	1,369,940
D. Subtotal	15,129,684	7,084,891	22,214,575	0	22,214,575
III. Public Safety Contributory					
A. Other Division A (2.5% COLA)	54,000	34,757	88,757	112	88,869
IV. Public Safety Noncontributory					
A. State	817,690	436,533	1,254,223	200	1,254,423
B. Other Division A (2.5% COLA)	676,281	295,432	971,713	0	971,713
C. Other Division A (4% COLA)	240,256	123,244	363,500	56	363,556
D. Salt Lake City	222,311	108,811	331,122	73	331,195
E. Ogden	50,087	26,113	76,200	7	76,208
F. Provo	38,169	18,053	56,222	5	56,227
G. Logan	19,298	9,603	28,901	2	28,903
H. Bountiful	14,034	7,065	21,099	3	21,101
I. Other Division B (2.5% COLA)	340,260	143,890	484,150	1	484,151
J. Other Division B (4% COLA)	37,696	20,205	57,901	0	57,901
K. Subtotal	2,456,082	1,188,949	3,645,031	347	3,645,378
V. Firefighters					
A. Division A	128,969	62,314	191,283	18	191,301
B. Division B	538,318	299,974	838,292	333	838,625
C. Subtotal	667,287	362,288	1,029,575	351	1,029,926
VI. Judges	156,504	92,291	248,795	0	248,795
VII. Governors and Legislative	5,933	2,665	8,598	696	9,294
VIII. Tier II - Hybrid Plans					
A. Public Employees	56,524	14,514	71,038	0	71,038
B. Public Safety and Firefighter	1,179	409	1,588	0	1,588
VIII. Grand Total	19,254,577	9,143,903	28,398,480	1,525	28,400,007

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

EXHIBIT 6(A)

Normal Cost

Fund/Division	Retirement	Deferred Termination	Disability	Refunds	Death	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. Public Employees Contributory						
A. Local Government	9.61%	1.18%	0.24%	1.38%	0.33%	12.74%
B. State and School	9.83%	0.84%	0.16%	1.37%	0.26%	12.46%
C. Higher Education	9.35%	0.74%	0.15%	1.52%	0.20%	11.96%
II. Public Employees Noncontributory						
A. Local Government	9.97%	1.96%	0.26%	0.00%	0.37%	12.56%
B. State and School	11.81%	1.79%	0.22%	0.00%	0.29%	14.11%
C. Higher Education	11.24%	1.89%	0.24%	0.00%	0.30%	13.67%
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	24.12%	0.85%	0.38%	1.48%	0.30%	27.13%
IV. Public Safety Noncontributory						
A. State	24.34%	1.46%	0.39%	0.00%	0.29%	26.48%
B. Other Division A (2.5% COLA)	24.06%	1.42%	0.38%	0.00%	0.29%	26.15%
C. Other Division A (4% COLA)	24.35%	1.39%	0.37%	0.00%	0.29%	26.40%
D. Salt Lake City	24.24%	1.33%	0.36%	0.00%	0.42%	26.35%
E. Ogden	24.27%	1.32%	0.35%	0.00%	0.41%	26.35%
F. Provo	24.24%	1.38%	0.38%	0.00%	0.43%	26.43%
G. Logan	24.46%	1.38%	0.37%	0.00%	0.43%	26.64%
H. Bountiful	24.26%	1.39%	0.38%	0.00%	0.30%	26.33%
I. Other Division B (2.5% COLA)	24.17%	1.38%	0.37%	0.00%	0.42%	26.34%
J. Other Division B (4% COLA)	24.34%	1.45%	0.40%	0.00%	0.45%	26.64%
V. Firefighters						
A. Division A	22.90%	0.62%	1.39%	0.91%	0.43%	26.25%
B. Division B	22.74%	0.58%	1.25%	1.00%	0.52%	26.09%
VI. Judges	29.63%	0.00%	0.00%	0.00%	0.99%	30.62%
VII. Tier II - Hybrid Plans						
A. Public Employees	8.03%	1.66%	0.12%	0.08%	0.25%	10.14%
B. Public Safety and Firefighter	15.80%	1.26%	0.31%	0.15%	0.31%	17.83%

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	12.74%	6.00%	6.74%
	B.	State and School	12.46%	6.00%	6.46%
	C.	Higher Education	11.96%	6.00%	5.96%
II.	Public Employees Noncontributory				
	A.	Local Government	12.56%	0.00%	12.56%
	B.	State and School	14.11%	0.00%	14.11%
	C.	Higher Education	13.67%	0.00%	13.67%
III.	Public Safety Contributory				
	A.	Other Division A (2.5% COLA)	27.13%	12.29%	14.84%
IV.	Public Safety Noncontributory				
	A.	State	26.48%	0.00%	26.48%
	B.	Other Division A (2.5% COLA)	26.15%	0.00%	26.15%
	C.	Other Division A (4% COLA)	26.40%	0.00%	26.40%
	D.	Salt Lake City	26.35%	0.00%	26.35%
	E.	Ogden	26.35%	0.00%	26.35%
	F.	Provo	26.43%	0.00%	26.43%
	G.	Logan	26.64%	0.00%	26.64%
	H.	Bountiful	26.33%	0.00%	26.33%
	I.	Other Division B (2.5% COLA)	26.34%	0.00%	26.34%
	J.	Other Division B (4% COLA)	26.64%	0.00%	26.64%
V.	Firefighters				
	A.	Division A	26.25%	15.05%	11.20%
	B.	Division B	26.09%	15.05%	11.04%
VI.	Judges		30.62%	0.00%	30.62%
VII.	Tier II - Hybrid Plans				
	A.	Public Employees	10.14%	0.14%	10.00%
	B.	Public Safety and Firefighter	17.83%	3.83%	14.00%

Note: The member rate for the Tier II Public Employees Hybrid Plan of 1.30% of pay is equal to the difference between the Board certified contribution rate (11.30% of pay) and the employer contribution rate set in Statute (10.00% of pay).
Similarly, the member rate for the Tier II Public Safety and Firefighter Hybrid Plan of 5.98% of pay is equal to the difference between the Board certified contribution rate (19.98% of pay) and the employer contribution rate set in Statute (14.00% of pay).

EXHIBIT 7(A)

Determination of Actuarial Accrued Liability

Fund/Division	Actuarial Present Value of Future Benefits	Actuarial Present Value of Future Normal Costs			Actuarial Accrued Liability (2) - (5)
		Members	Employers	Total	
(1)	(2)	(3)	(4)	(5)	(6)
I. Public Employees Contributory					
A. Local Government	460,663	2,369	2,662	5,031	455,631
B. State and School	610,969	482	520	1,002	609,968
C. Higher Education	154,949	317	316	633	154,317
D. Subtotal	1,226,581	3,168	3,498	6,666	1,219,916
II. Public Employees Noncontributory					
A. Local Government	9,188,375	0	712,559	712,559	8,475,816
B. State and School	32,431,690	0	2,569,460	2,569,460	29,862,230
C. Higher Education	2,833,251	0	198,832	198,832	2,634,419
D. Subtotal	44,453,316	0	3,480,851	3,480,851	40,972,465
III. Public Safety Contributory					
A. Other Division A (2.5% COLA)	107,825	1,214	1,466	2,680	105,145
IV. Public Safety Noncontributory					
A. State	2,197,878	0	160,267	160,267	2,037,610
B. Other Division A (2.5% COLA)	1,890,412	0	157,600	157,600	1,732,812
C. Other Division A (4% COLA)	589,545	0	38,630	38,630	550,915
D. Salt Lake City	560,925	0	42,826	42,826	518,099
E. Ogden	111,701	0	6,363	6,363	105,339
F. Provo	92,284	0	6,117	6,117	86,167
G. Logan	48,693	0	2,547	2,547	46,146
H. Bountiful	35,353	0	1,887	1,887	33,467
I. Other Division B (2.5% COLA)	914,379	0	82,369	82,369	832,010
J. Other Division B (4% COLA)	93,965	0	7,894	7,894	86,072
K. Subtotal	6,535,135	0	506,500	506,500	6,028,637
V. Firefighters					
A. Division A	494,597	43,212	32,158	75,370	419,227
B. Division B	1,561,879	84,583	62,047	146,630	1,415,249
C. Subtotal	2,056,476	127,795	94,205	222,000	1,834,476
VI. Judges	447,491	0	71,838	71,838	375,653
VII. Governors and Legislative	13,356	0	160	160	13,196
VIII. Tier II - Hybrid Plans					
A. Public Employees	6,863,828	54,127	3,897,122	3,951,249	2,912,580
B. Public Safety and Firefighter	2,131,554	319,936	1,176,161	1,496,097	635,457
IX. Grand Total	63,835,562	506,240	9,231,801	9,738,041	54,097,525

Notes: Amounts shown are in $ thousands
Columns may not add to total due to rounding
The amounts shown above do not include the actuarial accrued liability attributable to the 3% Substantial Substitute

EXHIBIT 7(B)

Actuarial Accrued Liability
Details of Member and Employer Financing

Fund/Division	Inactive Members: Accumulated Member Contributions	Inactive Members: Employer Financed	Inactive Members: Total	Active Members: Accumulated Member Contributions	Active Members: Employer Financed	Active Members: Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. Public Employees Contributory						
A. Local Government	22,891	3,088	25,979	15,954	25,903	41,857
B. State and School	8,387	421	8,808	12,615	14,854	27,469
C. Higher Education	7,129	1,299	8,428	6,872	9,959	16,831
D. Subtotal	38,407	4,808	43,215	35,441	50,716	86,157
II. Public Employees Noncontributory						
A. Local Government	11,574	596,940	608,514	28,287	3,582,500	3,610,787
B. State and School	20,370	1,315,515	1,335,885	20,723	11,917,501	11,938,224
C. Higher Education	6,563	270,091	276,654	3,598	984,227	987,825
D. Subtotal	38,507	2,182,546	2,221,053	52,608	16,484,228	16,536,836
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	5,709	1,324	7,033	2,880	6,363	9,243
IV. Public Safety Noncontributory						
A. State	957	102,248	103,205	810	679,173	679,983
B. Other Division A (2.5% COLA)	2,782	130,170	132,952	6,139	622,009	628,148
C. Other Division A (4% COLA)	1,040	36,053	37,093	467	149,799	150,266
D. Salt Lake City	13	21,045	21,058	37	165,810	165,847
E. Ogden	230	7,839	8,069	0	21,062	21,062
F. Provo	975	1,634	2,609	1,808	25,522	27,330
G. Logan	954	2,658	3,612	1,466	12,165	13,631
H. Bountiful	0	4,308	4,308	0	8,057	8,057
I. Other Division B (2.5% COLA)	3,480	54,496	57,976	1,878	288,005	289,883
J. Other Division B (4% COLA)	346	3,679	4,025	19	24,126	24,145
K. Subtotal	10,777	364,130	374,907	12,624	1,995,728	2,008,352
V. Firefighters						
A. Division A	10,180	16,577	26,757	52,749	148,420	201,169
B. Division B	16,083	33,015	49,098	153,615	373,912	527,527
C. Subtotal	26,263	49,592	75,855	206,364	522,332	728,696
VI. Judges	0	7,640	7,640	1,101	118,117	119,218
VII. Governors and Legislative	16	3,173	3,189	0	713	713
VIII. Tier II - Hybrid Plans						
A. Public Employees	3,464	192,530	195,994	30,304	2,615,244	2,645,548
B. Public Safety and Firefighter	10,256	4,941	15,197	65,902	552,769	618,671
IX. Grand Total	133,399	2,810,684	2,944,083	407,224	22,346,210	22,753,434

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

EXHIBIT 8

Number of Members

Fund/Division	Active	Inactive Members			Members Receiving Benefits			Total
		Disabled	Vested	Nonvested	Regular Retirees	Disabled Retirees	Beneficiaries	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I. Public Employees Contributory								
A. Local Government	89	0	553	501	894	14	183	2,234
B. State and School	35	0	69	3	1,471	41	252	1,871
C. Higher Education	23	0	51	2	312	0	52	440
D. Subtotal	147	0	673	506	2,677	55	487	4,545
II. Public Employees Noncontributory								
A. Local Government	8,415	77	12,111	157	11,774	207	1,645	34,386
B. State and School	27,284	180	25,563	297	44,873	594	5,255	104,046
C. Higher Education	2,588	19	6,253	155	5,231	14	534	14,794
D. Subtotal	38,287	276	43,927	609	61,878	815	7,434	153,226
III. Public Safety Contributory								
A. Other Division A (2.5% COLA)	16	1	107	28	197	3	127	479
IV. Public Safety Noncontributory								
A. State	995	3	1,301	3	2,187	31	504	5,024
B. Other Division A (2.5% COLA)	1,014	5	1,605	1	1,672	22	293	4,612
C. Other Division A (4% COLA)	238	0	444	2	601	7	114	1,406
D. Salt Lake City	235	0	170	0	483	10	140	1,038
E. Ogden	33	0	89	0	138	1	36	297
F. Provo	35	0	30	1	84	0	19	169
G. Logan	18	0	30	0	50	1	9	108
H. Bountiful	11	0	16	0	40	0	5	72
I. Other Division B (2.5% COLA)	478	2	458	9	713	8	126	1,794
J. Other Division B (4% COLA)	43	0	52	0	87	2	21	205
K. Subtotal	3,100	10	4,195	16	6,055	82	1,267	14,725
V. Firefighters								
A. Division A	357	0	211	36	231	25	57	917
B. Division B	741	0	220	69	1,052	73	320	2,475
C. Subtotal	1,098	0	431	105	1,283	98	377	3,392
VI. Judges	124	0	7	0	139	0	38	308
VII. Governors and Legislative	15	0	86	1	172	0	61	335
VIII. Tier II - Hybrid Plans								
A. Public Employees	49,162	0	11,359	5,345	1,015	0	27	66,908
B. Public Safety and Firefighter	7,251	0	927	1,100	6	0	5	9,289
IX. Grand Total	99,200	287	61,712	7,710	73,422	1,053	9,823	253,207

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	Number	Total Compensation $ Thousands	Average Compensation ($'s)	Accumulated Member Contributions With Interest $ Thousands	Average Age	Average Service
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I.	Public Employees Contributory						
	A. Local Government	89	7,458	83,794	15,954	58.8	23.8
	B. State and School	35	3,159	90,256	12,615	66.8	42.0
	C. Higher Education	23	1,829	79,523	6,872	65.2	42.6
	D. Subtotal	147	12,446	84,664	35,441	61.7	31.1
II.	Public Employees Noncontributory						
	A. Local Government	8,415	790,103	93,892	28,287	53.3	19.0
	B. State and School	27,284	2,454,319	89,948	20,723	53.0	19.4
	C. Higher Education	2,588	205,183	79,344	3,598	54.1	19.6
	D. Subtotal	38,287	3,449,605	90,098	52,608	53.1	19.3
III.	Public Safety Contributory						
	A. Other Division A (2.5% COLA)	16	1,581	98,797	2,880	46.6	16.2
IV.	Public Safety Noncontributory						
	A. State	995	106,461	106,996	810	48.9	17.8
	B. Other Division A (2.5% COLA)	1,014	103,252	101,827	6,139	48.3	16.7
	C. Other Division A (4% COLA)	238	24,331	102,232	467	47.6	17.2
	D. Salt Lake City	235	27,550	117,233	37	47.3	16.8
	E. Ogden	33	3,629	109,967	0	45.6	15.8
	F. Provo	35	4,039	115,405	1,808	48.3	18.7
	G. Logan	18	1,787	99,251	1,466	50.1	22.3
	H. Bountiful	11	1,305	118,657	0	48.3	16.9
	I. Other Division B (2.5% COLA)	478	52,903	110,675	1,878	48.1	14.9
	J. Other Division B (4% COLA)	43	4,699	109,283	19	47.0	13.3
	K. Subtotal	3,100	329,956	106,437	12,624	48.3	16.8
V.	Firefighters						
	A. Division A	357	39,116	109,570	52,749	49.0	15.4
	B. Division B	741	80,855	109,116	153,615	49.6	20.3
	C. Subtotal	1,098	119,971	109,263	206,364	49.4	18.7
VI.	Judges	124	27,696	223,352	1,101	54.4	8.0
VII.	Governors and Legislative	15	348	23,178	0	58.0	8.3
VIII.	Tier II - Hybrid Plans						
	A. Public Employees	49,162	3,284,377	66,807	30,304	40.4	5.3
	B. Public Safety and Firefighter	7,251	547,664	75,529	65,902	33.0	5.2
IX.	Grand Total	99,200	7,773,644	78,363	407,224	45.2	11.3

EXHIBIT 10

Retired Member Statistics
(Including Disabled Retirees and Beneficiaries)

Fund/Division	Number	Annual Total Benefits ($ Thousands)	Average Monthly Benefit ($'s)
(1)	(2)	(3)	(4)
I. Public Employees Contributory			
A. Local Government	1,091	35,070	2,679
B. State and School	1,764	53,840	2,543
C. Higher Education	364	11,922	2,730
D. Subtotal	3,219	100,832	2,610
II. Public Employees Noncontributory			
A. Local Government	13,626	368,533	2,254
B. State and School	50,722	1,488,578	2,446
C. Higher Education	5,779	126,845	1,829
D. Subtotal	70,127	1,983,956	2,358
III. Public Safety Contributory			
A. Other Division A (2.5% COLA)	327	8,682	2,212
IV. Public Safety Noncontributory			
A. State	2,722	98,715	3,022
B. Other Division A (2.5% COLA)	1,987	70,256	2,947
C. Other Division A (4% COLA)	722	25,438	2,936
D. Salt Lake City	633	26,328	3,466
E. Ogden	175	5,915	2,817
F. Provo	103	4,340	3,511
G. Logan	60	2,198	3,053
H. Bountiful	45	1,742	3,225
I. Other Division B (2.5% COLA)	847	32,983	3,245
J. Other Division B (4% COLA)	110	4,123	3,123
K. Subtotal	7,404	272,038	3,062
V. Firefighters			
A. Division A	313	13,661	3,637
B. Division B	1,445	67,631	3,900
C. Subtotal	1,758	81,292	3,853
VI. Judges	177	21,077	9,923
VII. Governors and Legislative	233	1,066	381
VIII. Tier II - Hybrid Plans			
A. Public Employees	1,042	5,556	444
B. Public Safety and Firefighter	11	98	742
IX. Grand Total	84,298	2,474,597	2,446

EXHIBIT 11(A)

Market Value of Assets
(All Retirement Systems Combined)

Item	December 31, 2024	December 31, 2025
(1)	(2)	(3)
1. Cash	999	36
2. Receivables		
a. Member contributions	2,016	2,761
b. Employer contributions	70,758	79,218
c. Fire insurance premium tax & court fees	237	418
d. Investments	368,327	495,680
e. Total	441,338	578,077
3. Investments		
a. Short-term securities	2,581,935	1,456,415
b. Debt securities	7,312,333	8,694,788
c. Equity investments	16,203,251	19,455,963
d. Absolute return	7,202,735	8,183,596
e. Private equity	5,717,766	6,349,155
f. Real assets	9,127,905	9,256,111
g. Total	48,145,925	53,396,028
4. Other	1,557,806	1,871,208
5. Total Assets	50,146,068	55,845,349
6. Liabilities		
a. Securities lending liability	(1,526,527)	(1,834,031)
b. Other accounting liabilities and reserves	(639,426)	(716,659)
c. Total	(2,165,953)	(2,550,690)
7. Net assets	47,980,115	53,294,659

Note: Assets exclude the defined contribution plans
Amount shown are in $ thousands
Amounts shown are from the December 31, 2025 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	MVA as of Dec. 31, 2024	Contributions	Benefits and Refunds	Earnings, Net of Expenses	Transfers	MVA as of Dec. 31, 2025
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. Public Employees Contributory						
A. Local Government	443,246	1,919	-35,605	54,086	-3,111	460,535
B. State and School	584,075	761	-54,867	73,697	22,137	625,803
C. Higher Education	172,010	474	-12,448	19,502	-14,047	165,491
D. Subtotal	1,199,331	3,154	-102,920	147,285	4,979	1,251,829
II. Public Employees Noncontributory						
A. Local Government	7,647,777	200,140	-377,664	965,346	6,849	8,442,448
B. State and School	26,231,547	817,768	-1,516,310	3,297,401	5,032	28,835,438
C. Higher Education	2,505,252	52,944	-124,499	316,804	21,432	2,771,933
D. Subtotal	36,384,576	1,070,852	-2,018,473	4,579,551	33,313	40,049,819
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	106,513	904	-9,073	12,918	-1,531	109,731
IV. Public Safety Noncontributory						
A. State	1,799,382	70,781	-103,077	227,437	-614	1,993,909
B. Other Division A (2.5% COLA)	1,549,303	55,344	-74,660	196,458	-1,627	1,724,818
C. Other Division A (4% COLA)	497,665	14,429	-26,549	62,855	1,865	550,265
D. Salt Lake City	443,220	21,210	-26,825	56,151	3,301	497,057
E. Ogden	91,500	4,368	-6,054	11,569	99	101,482
F. Provo	76,074	3,003	-4,420	9,644	-16	84,285
G. Logan	41,549	1,274	-2,276	5,219	-72	45,694
H. Bountiful	28,934	1,286	-1,754	3,640	-333	31,773
I. Other Division B (2.5% COLA)	724,349	25,687	-35,423	91,768	2,458	808,839
J. Other Division B (4% COLA)	87,936	2,694	-4,081	11,082	-442	97,189
K. Subtotal	5,339,912	200,076	-285,119	675,823	4,619	5,935,311
V. Firefighters						
A. Division A	396,359	10,040	-14,780	50,099	-104	441,614
B. Division B	1,514,033	21,883	-70,012	190,533	1,530	1,657,967
C. Subtotal	1,910,392	31,923	-84,792	240,632	1,426	2,099,581
VI. Judges	296,793	14,131	-21,631	37,352	2,216	328,861
VII. Governors and Legislative	12,697	368	-1,086	1,595	14	13,588
VIII. 3% Substantial Substitute	241,720	25,283	-11	29,678	-45,037	251,633
IX. Tier II - Hybrid Plans						
A. Public Employees	2,076,764	334,178	-6,375	282,803	0	2,687,370
B. Public Safety and Firefighter	411,421	97,903	-514	58,113	0	566,923
X. Grand Total	47,980,119	1,778,772	-2,529,994	6,065,750	0	53,294,646

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	47,980,119	48,612,275
2.	Contributions to fund during year	1,778,772	1,778,772
3.	Benefit payments during year (including refunds of contributions)	(2,529,994)	(2,529,994)
4.	Transfers to and (from) URS	0	0
5.	Investment income, net of investment and administrative expenses	6,065,750	3,769,220
6.	End of year assets	53,294,646	51,630,273
7.	Investment rate return	12.7%	7.8%

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)
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%
2022	-5.3%	7.9%
2023	9.2%	8.5%
2024	7.3%	7.5%
2025	12.7%	7.8%
Average return		
Last 5 years:	7.9%	8.6%
Last 10 years:	8.7%	8.2%
Last 15 years:	8.3%	7.7%
Last 20 years:	7.2%	7.3%
Last 25 years:	7.0%	6.9%

EXHIBIT 13

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

1.	Market value of assets		$ 53,294,646
2.	Adjustments to smooth asset values based on excess/shortfall of expected investment income for:		

	Year	Total Excess / (Shortfall)	Weight Subtracted	Weight Subtracted
a.	2025	2,804,836	80%	2,243,869
b.	2024	199,955	60%	119,973
c.	2023	969,225	40%	387,690
d.	2022	(5,435,795)	20%	(1,087,159)
e.	2021	4,003,316	0%	0
f.	Total			1,664,373

3.	Preliminary actuarial value of assets (1-2f)	$ 51,630,273
4.	Corridor Limits	
	a. 75% of market value	$ 39,970,985
	b. 125% of market value	66,618,308
	c. Actuarial value (Item 3, not more than 4b, not less than 4a)	$ 51,630,273
5.	Ratio of actuarial value to market value	96.9%

Note: Amounts shown are in $ thousands

EXHIBIT 14

Transfer Adjustments to Asset Values

Fund/Division	Market Value of Assets (MVA) at January 1, 2026			Actuarial Value of Assets (AVA) at January 1, 2026		
	MVA Before Transfer	Transfer Amount	MVA After Transfer	AVA Before Transfer	Transfer Amount	AVA After Transfer
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. Public Employees Contributory						
A. Local Government	460,535	692	461,227	447,076	670	447,746
B. State and School	625,803	(3,994)	621,809	607,971	(3,880)	604,091
C. Higher Education	165,491	(5,492)	159,999	160,402	(5,323)	155,079
D. Subtotal	1,251,829	(8,794)	1,243,035	1,215,449	(8,533)	1,206,916
II. Public Employees Noncontributory						
A. Local Government	8,442,448	(692)	8,441,756	8,176,346	(670)	8,175,676
B. State and School	28,835,438	3,994	28,839,432	27,835,378	3,880	27,839,258
C. Higher Education	2,771,933	5,492	2,777,425	2,788,992	5,323	2,794,315
D. Subtotal	40,049,819	8,794	40,058,613	38,800,716	8,533	38,809,249
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	109,731	(2,617)	107,114	106,606	(2,535)	104,071
IV. Public Safety Noncontributory						
A. State	1,993,909	0	1,993,909	1,931,426	0	1,931,426
B. Other Division A (2.5% COLA)	1,724,818	2,617	1,727,435	1,670,535	2,535	1,673,070
C. Other Division A (4% COLA)	550,265	0	550,265	532,805	0	532,805
D. Salt Lake City	497,057	0	497,057	481,543	0	481,543
E. Ogden	101,482	0	101,482	98,322	0	98,322
F. Provo	84,285	0	84,285	81,609	0	81,609
G. Logan	45,694	0	45,694	44,292	0	44,292
H. Bountiful	31,773	0	31,773	30,797	0	30,797
I. Other Division B (2.5% COLA)	808,839	0	808,839	782,989	0	782,989
J. Other Division B (4% COLA)	97,189	0	97,189	94,144	0	94,144
K. Subtotal	5,935,311	2,617	5,937,928	5,748,462	2,535	5,750,997
V. Firefighters						
A. Division A	441,614	0	441,614	427,677	0	427,677
B. Division B	1,657,967	0	1,657,967	1,605,447	0	1,605,447
C. Subtotal	2,099,581	0	2,099,581	2,033,124	0	2,033,124
VI. Judges	328,861	0	328,861	318,606	0	318,606
VII. Governors and Legislative	13,588	0	13,588	13,153	0	13,153
VIII. 3% Substantial Substitute	251,633	0	251,633	247,218	0	247,218
IX. Tier II - Hybrid Plans						
A. Public Employees	2,687,370	0	2,687,370	2,599,099	0	2,599,099
B. Public Safety and Firefighter	566,923	0	566,923	547,840	0	547,840
X. Grand Total	53,294,646	0	53,294,646	51,630,273	0	51,630,273

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	$	473,748
	b. Inactives		8,679
	c. Actives		17,897
	d. Total	$	500,325
2.	Actuarial value of assets	$	247,218
3.	Unfunded actuarial accrued liability		253,107
4.	Covered compensation of state funds that will pay for benefit	$	6,053,182
5.	Calculated rate (20-year funding period and 2.90% PGR)		0.30%

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	Retirees and Beneficiaries	Inactive Members	Active Members	Total
(1)	(2)	(3)	(4)	(5)
I. Public Employees Contributory				
A. Local Government	10,452	342	750	11,544
B. State and School	17,109	264	854	18,227
C. Higher Education	3,817	246	524	4,586
D. Subtotal	31,378	852	2,128	34,357
II. Public Employees Noncontributory				
A. Local Government	62,537	1,987	3,534	68,059
B. State and School	294,290	2,636	8,900	305,826
C. Higher Education	21,462	1,003	2,081	24,546
D. Subtotal	378,289	5,626	14,515	398,431
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	2,180	72	0	2,252
IV. Public Safety Noncontributory				
A. State	16,892	377	255	17,524
B. Other Division A (2.5% COLA)	9,693	923	277	10,893
C. Other Division A (4% COLA)	3,248	156	0	3,404
D. Salt Lake City	4,692	92	43	4,828
E. Ogden	1,146	48	0	1,194
F. Provo	821	14	58	893
G. Logan	505	35	0	540
H. Bountiful	384	17	0	401
I. Other Division B (2.5% COLA)	4,357	137	122	4,616
J. Other Division B (4% COLA)	744	10	0	755
K. Subtotal	42,482	1,809	755	45,048
V. Firefighters				
A. Division A	2,075	114	118	2,308
B. Division B	13,558	196	299	14,053
C. Subtotal	15,633	310	417	16,361
VI. Judges	3,682	0	79	3,762
VII. Governors and Legislative	104	9	3	116
VIII. Tier II - Hybrid Plans				
A. Public Employees	0	0	0	0
B. Public Safety and Firefighter	0	0	0	0
VIII. Grand Total	473,748	8,679	17,897	500,325

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	$	9,293,691
	b. Inactives		3,189,304
	c. Actives		713,064
	d. Total	$	13,196,059
2.	Actuarial Value of Assets	$	13,153,000
3.	Unfunded Actuarial Accrued Liability (UAAL) (1d) - (2)		43,059
4.	Normal Cost	$	26,639
5.	Total Recommended Appropriation Payable by June 30, 2028		
	a. Normal Cost	$	26,639
	b. Amortization Charge (8-year funding period, level dollar)*		274,539
	c. Subtotal	$	301,178
	d. Interest Adjustment (two years at 6.95%)		43,319
	e. Total	$	344,497

* Greater of the current year amortization dollar amount based on the closed 8-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	Retirement Benefits in Force Annual Amount ($ Thousands)	Average Retiree Monthly Benefit	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)
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
2023	253	1,391	3,494	5,138	18,633	73,647	90,500	2,158	1,217,710	1,229,973
2024	210	1,318	3,387	4,915	16,691	79,485	95,379	2,347	1,209,864	1,221,935
2025	179	1,241	3,294	4,714	14,486	80,930	98,615	2,495	1,203,748	1,222,561
2026	147	1,179	3,219	4,545	12,446	84,664	100,832	2,610	1,243,035	1,206,916

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	Retirement Benefits in Force Annual Amount ($ Thousands)	Average Retiree Monthly Benefit	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)
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
2023	45,394	47,214	65,266	157,874	3,322,158	73,185	1,613,675	2,060	32,357,041	32,886,191
2024	43,185	46,452	66,982	156,619	3,439,133	79,637	1,749,507	2,177	34,617,564	34,991,803
2025	40,813	45,869	68,236	154,918	3,511,376	86,036	1,862,263	2,274	36,380,159	36,864,343
2026	38,287	44,812	70,127	153,226	3,449,605	90,098	1,983,956	2,358	40,058,613	38,809,249

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	Retirement Benefits in Force Annual Amount ($ Thousands)	Average Retiree Monthly Benefit	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)
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
2023	25	166	349	540	1,904	76,150	8,714	2,081	108,530	109,468
2024	21	156	342	519	1,880	89,519	8,866	2,160	107,728	108,767
2025	20	139	340	499	1,836	91,803	8,961	2,196	105,387	107,059
2026	16	136	327	479	1,581	98,797	8,682	2,212	107,114	104,071

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	Retirement Benefits in Force Annual Amount ($ Thousands)	Average Retiree Monthly Benefit	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)
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
2023	3,892	4,409	6,797	15,098	329,428	84,642	222,512	2,728	4,660,642	4,740,082
2024	3,640	4,397	6,989	15,026	341,319	93,769	239,266	2,853	5,032,836	5,087,090
2025	3,400	4,336	7,162	14,898	344,194	101,233	254,014	2,956	5,341,038	5,410,056
2026	3,100	4,221	7,404	14,725	329,956	106,437	272,038	3,062	5,937,928	5,750,997

EXHIBIT 17(E)

Historical Summary of Statistical Data
Firefighters Retirement System

Plan Year Beginning January 1st	Participant Counts				Covered Payroll ($ Thousands)	Average Pay	Retirement Benefits in Force Annual Amount ($ Thousands)	Average Retiree Monthly Benefit	Market Value of Assets ($ Thousands)	Actuarial Value of Assets ($ Thousands)
	Active	Inactive	Retired	Total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
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
2023	1,289	517	1,651	3,457	114,339	88,704	67,326	3,398	1,685,243	1,714,351
2024	1,225	519	1,691	3,435	117,983	96,313	73,092	3,602	1,815,120	1,834,761
2025	1,172	529	1,718	3,419	120,758	103,036	77,369	3,753	1,910,392	1,935,188
2026	1,098	536	1,758	3,392	119,971	109,263	81,292	3,853	2,099,581	2,033,124

EXHIBIT 17(F)

Historical Summary of Statistical Data
Judges Retirement System

Plan Year Beginning January 1st	Participant Counts				Covered Payroll ($ Thousands)	Average Pay	Retirement Benefits in Force Annual Amount ($ Thousands)	Average Retiree Monthly Benefit	Market Value of Assets ($ Thousands)	Actuarial Value of Assets ($ Thousands)
	Active	Inactive	Retired	Total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
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
2023	119	6	164	289	21,877	183,837	17,086	8,682	262,306	266,574
2024	121	6	166	293	24,054	198,791	18,287	9,180	280,984	283,922
2025	119	11	169	299	26,074	219,105	19,712	9,720	296,793	300,624
2026	124	7	177	308	27,696	223,352	21,077	9,923	328,861	318,606

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	Retirement Benefits in Force Annual Amount ($ Thousands)	Average Retiree Monthly Benefit	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)
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
2023	44	75	237	356	724	16,455	988	348	12,122	12,255
2024	30	80	237	347	576	19,201	1,041	366	12,533	12,643
2025	12	91	234	337	313	26,095	1,044	372	12,697	12,864
2026	15	87	233	335	348	23,178	1,066	381	13,588	13,153

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	Retirement Benefits in Force Annual Amount ($ Thousands)	Average Retiree Monthly Benefit	Market Value of Assets ($ Thousands)	Actuarial Value of Assets ($ Thousands)
	Active	Inactive	Retired	Total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2012	4,342	0	0	4,342	115,876	26,687	0	0	2,799	2,833
2013	9,510	0	0	9,510	269,287	28,316	0	0	17,935	17,817
2014	13,352	0	0	13,352	410,861	30,771	0	0	47,690	46,239
2015	16,786	0	0	16,786	552,585	32,919	0	0	89,289	88,743
2016	21,100	92	1	21,193	662,190	31,383	1	72	140,539	145,518
2017	24,372	401	9	24,782	836,175	34,309	14	130	217,293	219,885
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
2023	43,101	6,989	457	50,547	2,319,476	53,815	1,844	336	1,303,329	1,347,780
2024	46,227	8,461	590	55,278	2,718,254	58,802	2,564	362	1,673,550	1,696,245
2025	47,698	11,273	760	59,731	3,037,121	63,674	3,754	412	2,076,764	2,096,743
2026	49,162	16,704	1,042	66,908	3,284,377	66,807	5,556	444	2,687,370	2,599,099

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	Retirement Benefits in Force Annual Amount ($ Thousands)	Average Retiree Monthly Benefit	Market Value of Assets ($ Thousands)	Actuarial Value of Assets ($ Thousands)
	Active	Inactive	Retired	Total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2012	87	0	0	87	3,146	36,161	0	0	90	90
2013	439	0	0	439	16,152	36,793	0	0	1,172	1,161
2014	843	0	0	843	30,887	36,639	0	0	3,934	3,819
2015	1,280	0	0	1,280	47,707	37,271	0	0	8,706	8,666
2016	1,755	1	0	1,756	67,731	38,593	0	0	15,089	15,618
2017	2,240	26	0	2,266	89,558	39,981	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
2023	5,326	1,154	7	6,487	320,010	60,085	42	504	223,398	232,137
2024	5,978	1,383	7	7,368	397,171	66,439	43	517	308,051	312,111
2025	6,671	1,678	9	8,358	478,034	71,658	73	672	411,421	414,514
2026	7,251	2,027	11	9,289	547,664	75,529	98	742	566,923	547,840

SUPPLEMENT EXHIBIT 1(A)

Preliminary Tier I Retirement Contribution Rates as a Percentage of Salary and Wages
Fiscal Year July 1, 2027 - June 30, 2028

	Preliminary Tier I 2027-2028 Rates						Increase (Decrease) From Prior Year
	(1) Employee	(2) Employer	(3) Normal cost* (6) - (4)	(4) Amortization of UAAL**	(5) Net Employer (2) + (4)	(6) Total (3) + (4)	
Public Employees							
Contributory Retirement System							
11- Local Government	6.00%	6.09%	12.09%	4.51%	10.60%	16.60%	-0.36%
12- State and School***	6.00%	5.45%	11.45%	10.75%	16.20%	22.20% [1]	-0.50%
17- Higher Education	6.00%	5.45%	11.45%	12.25%	17.70%	23.70% [1]	0.00%
Public Employees							
Noncontributory Retirement System							
15- Local Government	-	11.86%	11.86%	2.75%	14.61%	14.61%	-0.36%
16- State and School***	-	12.25%	12.25%	8.44%	20.69%	20.69% [1,2]	-0.50%
18- Higher Education	-	12.25%	12.25%	9.94%	22.19%	22.19% [1,2]	0.00%
Public Safety							
Contributory Retirement System							
Division A							
23- Other Division A with 2.5% COLA	12.29%	11.02%	23.31%	9.77%	20.79%	33.08%	-1.00%
Public Safety							
Noncontributory Retirement System							
Division A							
42- State with 4% COLA	-	22.89%	22.89%	16.46%	39.35%	39.35% [1]	-0.50%
43- Other Division A with 2.5% COLA	-	22.29%	22.29%	9.25%	31.54%	31.54%	-1.00%
75- Other Division A with 4% COLA	-	22.80%	22.80%	10.41%	33.21%	33.21%	-1.00%
48- Bountiful with 2.5% COLA	-	23.49%	23.49%	26.39%	49.88%	49.88%	-0.50%
Division B							
44- Salt Lake City with 2.5% COLA	-	22.51%	22.51%	23.70%	46.21%	46.21%	-0.50%
45- Ogden with 2.5% COLA	-	22.42%	22.42%	25.80%	48.22%	48.22%	-0.50%
46- Provo with 2.5% COLA	-	22.62%	22.62%	19.11%	41.73%	41.73%	-0.50%
47- Logan with 2.5% COLA	-	22.60%	22.60%	16.87%	39.47%	39.47%	-1.00%
49- Other Division B with 2.5% COLA	-	22.62%	22.62%	9.45%	32.07%	32.07%	-0.50%
76- Other Division B with 4% COLA	-	23.03%	23.03%	8.94%	31.97%	31.97%	-2.00%
Firefighters' Retirement System							
Division A							
Gross Rate	15.05%	11.68%	26.73%	0.99%	12.67%	27.72%	0.00%
Insurance Premium Offset	-	-10.07%	-10.07%	-0.99%	-11.06%	-11.06%	0.00%
31- Net Rate	15.05%	1.61%	16.66%	0.00%	1.61%	16.66%	0.00%
Division B							
Gross Rate	15.05%	11.04%	26.09%	-11.04%	0.00%	15.05%	-13.06%
Insurance Premium Offset	-	0.00%	0.00%	0.00%	0.00%	0.00%	-11.06%
32- Net Rate	15.05%	11.04%	26.09%	-11.04%	0.00%	15.05%	-2.00%
Judges' Retirement System							
Gross Rate	-	31.60%	31.60%	20.31%	51.91%	51.91% [1]	0.00%
Court Fees Offset	-	-	-	-6.43%	-6.43%	-6.43%	-0.52%
37- Net Rate- Noncontributory	-	31.60%	31.60%	13.88%	45.48%	45.48% [1]	-0.52%
Governors and Legislative							
14- Appropriation Payable by June 30, 2028					$ 344,497	$ 344,497	$ 7,002

Note: The net employer contribution rate and amortization rates shown above are certified and maintained by the Board.
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, 2027 - August 31, 2028

SUPPLEMENT EXHIBIT 1(B)

	Tier II Hybrid Retirement System							Tier II Defined Contribution Plan						
	(1) Employee Tier II Rate	(2) Employer Hybrid Plan 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)	Employee Increase (Decrease) From Prior Year	Employer Increase (Decrease) From Prior Year
Public Employees														
Contributory Retirement System														
11- Local Government	1.30%	10.00%	0.00%	0.08%	4.51%	14.59%	15.89%	0.00%	10.00%	0.08%	4.51%	14.59%	0.00%	-0.36%
Public Employees														
Noncontributory Retirement System														
15- Local Government	1.30%	10.00%	0.00%	0.08%	2.75%	12.83%	14.13%	0.00%	10.00%	0.08%	2.75%	12.83%	0.00%	-0.36%
16- State and School [1]	1.30%	10.00%	0.00%	0.08%	8.44%	18.52%	19.82%	0.00%	10.00%	0.08%	8.44%	18.52%	0.00%	-0.50%
18- Higher Education	1.30%	10.00%	0.00%	0.08%	9.94%	20.02%	21.32%	0.00%	10.00%	0.08%	9.94%	20.02%	0.00%	0.00%
Public Safety														
Contributory Retirement System														
23- Other Division A (2.5% COLA)	5.98%	14.00%	0.00%	0.08%	9.77%	23.85%	29.83%	0.00%	14.00%	0.08%	9.77%	23.85%	0.00%	-1.00%
Public Safety														
Noncontributory Retirement System														
42- State	5.98%	14.00%	0.00%	0.08%	16.46%	30.54%	36.52%	0.00%	14.00%	0.08%	16.46%	30.54%	0.00%	-0.50%
43- Other Division A (2.5% COLA)	5.98%	14.00%	0.00%	0.08%	9.25%	23.33%	29.31%	0.00%	14.00%	0.08%	9.25%	23.33%	0.00%	-1.00%
75- Other Division A (4% COLA)	5.98%	14.00%	0.00%	0.08%	10.41%	24.49%	30.47%	0.00%	14.00%	0.08%	10.41%	24.49%	0.00%	-1.00%
44- Salt Lake City	5.98%	14.00%	0.00%	0.08%	23.70%	37.78%	43.76%	0.00%	14.00%	0.08%	23.70%	37.78%	0.00%	-0.50%
45- Ogden	5.98%	14.00%	0.00%	0.08%	25.80%	39.88%	45.86%	0.00%	14.00%	0.08%	25.80%	39.88%	0.00%	-0.50%
46- Provo	5.98%	14.00%	0.00%	0.08%	19.11%	33.19%	39.17%	0.00%	14.00%	0.08%	19.11%	33.19%	0.00%	-0.50%
47- Logan	5.98%	14.00%	0.00%	0.08%	16.87%	30.95%	36.93%	0.00%	14.00%	0.08%	16.87%	30.95%	0.00%	-1.00%
48- Bountiful	5.98%	14.00%	0.00%	0.08%	26.39%	40.47%	46.45%	0.00%	14.00%	0.08%	26.39%	40.47%	0.00%	-0.50%
49- Other Division B (2.5% COLA)	5.98%	14.00%	0.00%	0.08%	9.45%	23.53%	29.51%	0.00%	14.00%	0.08%	9.45%	23.53%	0.00%	-0.50%
76- Other Division B (4% COLA)	5.98%	14.00%	0.00%	0.08%	8.94%	23.02%	29.00%	0.00%	14.00%	0.08%	8.94%	23.02%	0.00%	-2.00%
Firefighters														
31- Division A**	5.98%	14.00%	0.00%	0.08%	0.00%	14.08%	20.06%	0.00%	14.00%	0.08%	0.00%	14.08%	0.00%	0.00%
32- Division B**	5.98%	14.00%	0.00%	0.08%	0.00%	14.08%	20.06%	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.

[1] Public School Districts and Charter School rates are effective September 1, 2027 - August 31, 2028.

SUPPLEMENT EXHIBIT 1(C)

	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 Tier II 2027-2028 Rates					Contribution Reporting Fields Tier II 2027-2028 Rates			
	Member	Employer	Total	Amort of UAAL[1]	Optional 401(k) Cap	Tier II Fund	Employee	Employer	401(k)	Total	Tier II Fund	Employee	Employer	401(k)	Total
Public Employees															
Contributory Retirement System															
11- Local Government	6.00%	10.60%	16.60%	4.51%	12.09%	111	1.30%	14.59%	0.00%	15.89%	211	0.00%	4.59%	10.00%	14.59%
12- State and School [3]	6.00%	16.20%	22.20%	10.75%	11.45%										
17- Higher Education	6.00%	17.70%	23.70%	12.25%	11.45%										
Public Employees															
Noncontributory Retirement System															
15- Local Government	-	14.61%	14.61%	2.75%	11.86%	111	1.30%	12.83%	0.00%	14.13%	211	0.00%	2.83%	10.00%	12.83%
16- State and School [3]	-	20.69%	20.69% [2]	8.44%	12.25%	112	1.30%	18.52%	0.00%	19.82%	212	0.00%	8.52%	10.00%	18.52%
18- Higher Education	-	22.19%	22.19% [2]	9.94%	12.25%	117	1.30%	20.02%	0.00%	21.32%	217	0.00%	10.02%	10.00%	20.02%
Public Safety															
Contributory Retirement System															
Division A															
23- Other Division A with 2.5% COLA	12.29%	20.79%	33.08%	9.77%	23.31%	122	5.98%	23.85%	0.00%	29.83%	222	0.00%	9.85%	14.00%	23.85%
Public Safety															
Noncontributory Retirement System															
Division A															
42- State with 4% COLA	-	39.35%	39.35%	16.46%	22.89%	122	5.98%	30.54%	0.00%	36.52%	222	0.00%	16.54%	14.00%	30.54%
43- Other Division A with 2.5% COLA	-	31.54%	31.54%	9.25%	22.29%	122	5.98%	23.33%	0.00%	29.31%	222	0.00%	9.33%	14.00%	23.33%
75- Other Division A with 4% COLA	-	33.21%	33.21%	10.41%	22.80%	122	5.98%	24.49%	0.00%	30.47%	222	0.00%	10.49%	14.00%	24.49%
48- Bountiful with 2.5% COLA	-	49.88%	49.88%	26.39%	23.49%	122	5.98%	40.47%	0.00%	46.45%	222	0.00%	26.47%	14.00%	40.47%
Division B															
44- Salt Lake City with 2.5% COLA	-	46.21%	46.21%	23.70%	22.51%	122	5.98%	37.78%	0.00%	43.76%	222	0.00%	23.78%	14.00%	37.78%
45- Ogden with 2.5% COLA	-	48.22%	48.22%	25.80%	22.42%	122	5.98%	39.88%	0.00%	45.86%	222	0.00%	25.88%	14.00%	39.88%
46- Provo with 2.5% COLA	-	41.73%	41.73%	19.11%	22.62%	122	5.98%	33.19%	0.00%	39.17%	222	0.00%	19.19%	14.00%	33.19%
47- Logan with 2.5% COLA	-	39.47%	39.47%	16.87%	22.60%	122	5.98%	30.95%	0.00%	36.93%	222	0.00%	16.95%	14.00%	30.95%
49- Other Division B with 2.5% COLA	-	32.07%	32.07%	9.45%	22.62%	122	5.98%	23.53%	0.00%	29.51%	222	0.00%	9.53%	14.00%	23.53%
76- Other Division B with 4% COLA	-	31.97%	31.97%	8.94%	23.03%	122	5.98%	23.02%	0.00%	29.00%	222	0.00%	9.02%	14.00%	23.02%
Firefighters Retirement System															
Division A															
31- Division A	15.05%	1.61%	16.66%	0.00%	16.66%	132	5.98%	14.08%	0.00%	20.06%	232	0.00%	0.08%	14.00%	14.08%
Division B															
32- Division B	15.05%	0.00%	15.05%	0.00%	15.05%	132	5.98%	14.08%	0.00%	20.06%	232	0.00%	0.08%	14.00%	14.08%
Judges' Retirement System															
37- Judges' Noncontributory	0.00%	45.48%	45.48%												

Note: [1] Unfunded actuarial accrued liability.

[2] Does not include the required 1.5% 401(k) contribution.

[3] Public School Districts and Charter School rates are effective September 1, 2027 - August 31, 2028.

SECTION D

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	MVA / Payroll[1]	AAL / Payroll[1]	Active / Retiree Member Ratio	Net Cash Flow / MVA
	(1)	(2)	(3)	(4)	(5)
I.	Tier I Public Employees				
	A. Local Government	4.3	4.3	0.6	-2.4%
	B. State and School	5.4	5.6	0.5	-2.6%
	C. Higher Education	9.6	9.1	0.4	-2.8%
II.	Tier I Public Safety				
	A. State	7.9	8.0	0.4	-1.6%
	B. Other Division A (2.5% COLA)	6.6	6.6	0.4	-1.5%
	C. Other Division A (4% COLA)	8.1	8.1	0.3	-2.2%
	D. Salt Lake City	8.3	8.7	0.4	-1.1%
	E. Ogden	7.8	8.1	0.2	-1.7%
	F. Provo	8.2	8.4	0.3	-1.7%
	G. Logan	10.1	10.2	0.3	-2.2%
	H. Bountiful	9.3	9.8	0.2	-1.5%
	I. Other Division B (2.5% COLA)	6.7	6.9	0.6	-1.2%
	J. Other Division B (4% COLA)	9.1	8.0	0.4	-1.4%
III.	Tier I Firefighters				
	A. Division A	3.9	3.7	1.1	-1.1%
	B. Division B	10.0	8.5	0.5	-2.9%
IV.	Judges	11.7	13.3	0.7	-2.3%
V.	Governors and Legislative	39.1	38.0	0.1	-5.3%
VI.	3% Substantial Substitute	-	0.1	N/A	-7.9%
VII.	Tier II - Hybrid Plans				
	A. Public Employees	0.8	0.9	47.2	12.2%
	B. Public Safety and Firefighter	1.0	1.1	659.2	17.2%
VIII.	Grand Total	4.9	5.0	1.2	-1.5%

[1] Payroll for the Tier 1 funds is based on contributing payroll, which includes Tier II pay which provides amortization payments the Tier I funds to finance the unfunded actuarial accrued liability.

Low-Default-Risk Obligation Measure

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a new calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

"The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the "right" liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan's funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date."

The LDROM estimates the amount of money the plan would need to invest in low risk securities to provide the benefits with greater certainty. The current model expects lower costs but with higher investment risk, which creates less certainty and a possibility of higher costs. Thus, the difference between the two measures (Valuation and LDROM) is one illustration of the possible costs the sponsor could incur if there was a reduction in the investment risk in comparison to the current diversified portfolio.

However, the downside risk would be limited in the scenarios where the current portfolio would fail to achieve returns in excess of the low-default-risk discount, in this case 5.50%.

Comparison of Liability by Fund

	Fund/Division	Valuation Liability	LDROM
	(1)	(2)	(3)
I.	Tier I Public Employees		
	A. Local Government	$ 8,931,447	$ 10,248,930
	B. State and School	30,472,198	35,149,878
	C. Higher Education	2,788,736	3,070,557
II.	Tier I Public Safety		
	A. State	2,037,610	2,373,452
	B. Other Division A (2.5% COLA)	1,837,957	2,201,256
	C. Other Division A (4% COLA)	550,915	650,705
	D. Salt Lake City	518,099	618,592
	E. Ogden	105,339	123,628
	F. Provo	86,167	103,968
	G. Logan	46,146	53,414
	H. Bountiful	33,467	39,702
	I. Other Division B (2.5% COLA)	832,010	989,537
	J. Other Division B (4% COLA)	86,072	98,955
III.	Tier I Firefighters		
	A. Division A	419,227	485,871
	B. Division B	1,415,249	1,650,099
IV.	Judges	375,653	422,970
V.	Governors and Legislative	13,196	14,387
VI.	3% Substantial Substitute	500,325	586,762
VII.	Tier II - Hybrid Plans		
	A. Public Employees	2,912,580	3,856,936
	B. Public Safety and Firefighter	635,457	857,657
VIII.	Grand Total	54,597,850	63,597,256

Again, the difference between the two measures is one illustration of the savings the sponsor anticipates by assuming investment risk in a diversified portfolio.

The information has been prepared in compliance with this new requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report. The Discount rate used to calculate LDROM: 5.60% which is approximately equal to the Intermediate FTSE Pension Discount Curve as of December 31, 2025. This measure may not be appropriate for assessing the need for or amount of future contributions as the current portfolio is expected to generate significantly more investment earnings than the low-default-risk portfolio. This measure is also not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation as this measure includes projections of salary increases and the ability for current members to continue to accrue eligibility and vesting service.

APPENDIX 1

APPENDIX 1

Statement of Actuarial Assumptions and Methods

1. *Investment return rate*:

   6.95% per annum, compounded annually, composed of a 2.60% 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-2016 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	0.00023	0.00028	0.00026
25	0.00024	0.00042	0.00034
30	0.00028	0.00048	0.00040
35	0.00035	0.00052	0.00047
40	0.00047	0.00069	0.00059
45	0.00070	0.00099	0.00079
50	0.00109	0.00147	0.00116
55	0.00174	0.00226	0.00180
60	0.00271	0.00341	0.00291

	Active Female Members		
Age	Public Educators	All Public Employees Except Educators	Public Safety and Firefighters
20	0.00008	0.00010	0.00011
25	0.00008	0.00013	0.00016
30	0.00013	0.00019	0.00022
35	0.00020	0.00028	0.00031
40	0.00032	0.00041	0.00045
45	0.00048	0.00061	0.00067
50	0.00073	0.00092	0.000100
55	0.00107	0.00137	0.00150
60	0.00159	0.00207	0.00226

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:

	Active Male Members				
Age	**Local Government**	**Public Employees**	**Public Educators**	**Public Safety**	**Firefighters**
20	0.000080	0.000080	0.000040	0.000150	0.000270
25	0.000120	0.000120	0.000060	0.000225	0.000405
30	0.000240	0.000240	0.000120	0.000450	0.000810
35	0.000360	0.000360	0.000180	0.000675	0.001215
40	0.000480	0.000480	0.000240	0.000900	0.001620
45	0.008000	0.008000	0.000400	0.001500	0.002700
50	0.001040	0.001040	0.000520	0.001950	0.003510
55	0.001640	0.001640	0.00820	0.003075	0.005535
60	0.002240	0.002240	0.001120	0.004200	0.007560

	Active Female Members				
Age	**Local Government**	**Public Employees**	**Public Educators**	**Public Safety**	**Firefighters**
20	0.000080	0.000100	0.000050	0.000150	0.000270
25	0.000120	0.000150	0.000075	0.000225	0.000405
30	0.000240	0.000300	0.000150	0.000450	0.000810
35	0.000360	0.000450	0.000225	0.000675	0.001215
40	0.000480	0.000600	0.000300	0.000900	0.001620
45	0.000800	0.001000	0.000500	0.001500	0.002700
50	0.001040	0.001300	0.000650	0.001950	0.003510
55	0.001640	0.002050	0.001025	0.003075	0.005535
60	0.002240	0.002800	0.001400	0.004200	0.007560

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	0.1900	0.2700	0.1600	0.1500	0.0850
1	0.1300	0.2000	0.1200	0.0800	0.0650
2	0.1000	0.1200	0.0850	0.0700	0.0500
3	0.0900	0.1000	0.0700	0.0600	0.0425
4	0.0800	0.0900	0.0650	0.0550	0.0375
5	0.0700	0.0800	0.0600	0.0500	0.0300
6	0.0650	0.0700	0.0550	0.0450	0.0250
7	0.0550	0.0600	0.0450	0.0400	0.0225
8	0.0500	0.0500	0.0400	0.0350	0.0200
9	0.0450	0.0500	0.0350	0.0300	0.0200
10	0.0400	0.0450	0.0300	0.0250	0.0200
11	0.0350	0.0450	0.0275	0.0250	0.0175
12	0.0325	0.0400	0.0250	0.0250	0.0150
13	0.0300	0.0375	0.0200	0.0200	0.0150
14	0.0300	0.0350	0.0175	0.0200	0.0125
15	0.0275	0.0300	0.0175	0.0200	0.0125
16	0.0275	0.0275	0.0150	0.0150	0.0125
17	0.0250	0.0250	0.0150	0.0150	0.0100
18	0.0250	0.0200	0.0150	0.0150	0.0100
19	0.0250	0.0200	0.0150	0.0150	0.0100
20	0.0200	0.0200	0.0150	0.0100	0.0100
21	0.0200	0.0200	0.0150	0.0100	0.0100
22	0.0175	0.0200	0.0150	0.0100	0.0100
23	0.0150	0.0150	0.0150	0.0100	0.0100
24	0.0125	0.0150	0.0150	0.0100	0.0100
25+	0.0100	0.0100	0.0100	N/A	N/A

4. *Termination rates (continued)*:

	Active Female Members				
	Years of Service				
Service	Local Government	Public Employees	Public Educators	Public Safety	Firefighters
0	0.2600	0.2800	0.1600	0.1500	0.0850
1	0.1800	0.2100	0.1300	0.0800	0.0650
2	0.1500	0.1500	0.1000	0.0700	0.0500
3	0.1300	0.1300	0.0900	0.0600	0.0425
4	0.1150	0.1100	0.0800	0.0550	0.0375
5	0.0950	0.1000	0.0700	0.0500	0.0300
6	0.0900	0.0850	0.0600	0.0450	0.0250
7	0.0800	0.0725	0.0525	0.0400	0.0225
8	0.0700	0.0625	0.0450	0.0350	0.0200
9	0.0600	0.0575	0.0400	0.0300	0.0200
10	0.0550	0.0525	0.0375	0.0250	0.0200
11	0.0500	0.0450	0.0325	0.0250	0.0175
12	0.0475	0.0425	0.0300	0.0250	0.0150
13	0.0450	0.0400	0.0250	0.0200	0.0150
14	0.0400	0.0375	0.0200	0.0200	0.0125
15	0.0400	0.0350	0.0200	0.0200	0.0125
16	0.0375	0.0300	0.0175	0.0150	0.0125
17	0.0350	0.0275	0.0175	0.0150	0.0100
18	0.0300	0.0275	0.0175	0.0150	0.0100
19	0.0300	0.0275	0.0150	0.0150	0.0100
20	0.0250	0.0275	0.0150	0.0100	0.0100
21	0.0250	0.0250	0.0150	0.0100	0.0100
22	0.0225	0.0225	0.0150	0.0100	0.0100
23	0.0200	0.0200	0.0150	0.0100	0.0100
24	0.0200	0.0200	0.0150	0.0100	0.0100
25+	0.0100	0.0100	0.0100	N/A	N/A

5. *Refund rates*:

The refund rates for Tier 1 members 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 Tier 1 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.

Males				
Service	**Local Government**	**Public Employees**	**Public Educators**	**Public Safety & Firefighters[1]**
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%

[1] Male and female members combined.

5. *Refund rates (continued)*:

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

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.

6. *Retirement rates*:

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

Tier I - Local Government				
	Male		Female	
Age	Reduced	Unreduced	Reduced	Unreduced
50	0.025	0.150	0.030	0.200
51	0.025	0.150	0.030	0.200
52	0.025	0.150	0.030	0.200
53	0.025	0.120	0.030	0.200
54	0.025	0.120	0.040	0.150
55	0.030	0.120	0.040	0.150
56	0.030	0.120	0.040	0.150
57	0.030	0.120	0.040	0.150
58	0.040	0.120	0.060	0.150
59	0.040	0.150	0.060	0.200
60	0.040	0.150	0.100	0.200
61	0.040	0.150	0.100	0.200
62	0.100	0.250	0.100	0.300
63	0.100	0.250	0.100	0.300
64	0.100	0.250	0.100	0.300
65	N/A	0.250	N/A	0.300
66	N/A	0.300	N/A	0.300
67	N/A	0.300	N/A	0.300
68	N/A	0.300	N/A	0.300
69	N/A	0.300	N/A	0.300
70	N/A	0.300	N/A	0.300
71	N/A	0.300	N/A	0.300
72	N/A	0.300	N/A	0.300
73	N/A	0.300	N/A	0.250
74	N/A	0.300	N/A	0.250
75+	N/A	1.000	N/A	1.000

6. *Retirement rates (continued)*:

Tier II - Local Government				
	Male		Female	
Age	Reduced	Unreduced[1]	Reduced	Unreduced[1]
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

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

6. *Retirement rates (continued)*:

Tier I - Public Employees				
	Male		Female	
Age	Reduced	Unreduced	Reduced	Unreduced
50	0.020	0.150	0.020	0.150
51	0.020	0.150	0.020	0.150
52	0.020	0.150	0.020	0.150
53	0.020	0.150	0.020	0.150
54	0.020	0.150	0.020	0.150
55	0.025	0.160	0.040	0.150
56	0.025	0.160	0.040	0.150
57	0.025	0.160	0.040	0.150
58	0.025	0.160	0.040	0.150
59	0.040	0.160	0.040	0.150
60	0.050	0.200	0.090	0.220
61	0.050	0.200	0.090	0.220
62	0.110	0.300	0.110	0.300
63	0.110	0.300	0.110	0.300
64	0.110	0.300	0.110	0.300
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

6. *Retirement rates (continued)*:

Tier II - Public Employees				
	Male		Female	
Age	Reduced	Unreduced[1]	Reduced	Unreduced[1]
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

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

6. *Retirement rates (continued)*:

Tier I - Public Educators				
	Male		Female	
Age	Reduced	Unreduced	Reduced	Unreduced
50	0.020	0.250	0.020	0.250
51	0.020	0.250	0.020	0.250
52	0.020	0.250	0.020	0.250
53	0.020	0.200	0.020	0.250
54	0.020	0.180	0.020	0.180
55	0.020	0.180	0.030	0.180
56	0.025	0.180	0.030	0.180
57	0.030	0.180	0.060	0.180
58	0.030	0.220	0.060	0.220
59	0.030	0.220	0.060	0.220
60	0.080	0.300	0.110	0.300
61	0.080	0.300	0.110	0.300
62	0.130	0.300	0.160	0.350
63	0.130	0.300	0.160	0.350
64	0.130	0.300	0.160	0.350
65	N/A	0.300	N/A	0.350
66	N/A	0.300	N/A	0.350
67	N/A	0.330	N/A	0.350
68	N/A	0.330	N/A	0.350
69	N/A	0.330	N/A	0.350
70	N/A	0.330	N/A	0.350
71	N/A	0.330	N/A	0.350
72	N/A	0.330	N/A	0.350
73	N/A	0.330	N/A	0.350
74	N/A	0.330	N/A	0.350
75+	N/A	1.000	N/A	1.000

6. *Retirement rates (continued)*:

Tier II - Public Educators				
	Male		Female	
Age	Reduced	Unreduced[1]	Reduced	Unreduced[1]
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

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

6. *Retirement rates (continued)*:

Tier I - Public Safety (Unisex)				Tier I - Firefighters (Unisex)	
	Years of Service			Years of Service	
Age	0 – 19	20 – 29	30+	0 – 29	30+
40-44	0.100	0.150	0.150	0.075	0.120
45	0.100	0.150	0.150	0.075	0.120
46	0.100	0.150	0.150	0.075	0.120
47	0.100	0.150	0.150	0.075	0.120
48	0.100	0.150	0.150	0.075	0.120
49	0.100	0.150	0.150	0.075	0.120
50	0.100	0.150	0.150	0.075	0.120
51	0.100	0.150	0.150	0.075	0.120
52	0.100	0.150	0.150	0.075	0.120
53	0.100	0.150	0.150	0.075	0.120
54	0.100	0.150	0.150	0.075	0.120
55	0.100	0.150	0.150	0.075	0.120
56	0.100	0.150	0.150	0.075	0.120
57	0.100	0.150	0.150	0.150	0.120
58	0.100	0.150	0.150	0.150	0.150
59	0.100	0.150	0.150	0.150	0.150
60	0.100	0.200	0.200	0.150	0.150
61	0.100	0.200	0.200	0.150	0.150
62	0.100	0.300	0.300	0.250	0.200
63	0.100	0.300	0.300	0.250	0.200
64	0.100	0.300	0.300	0.250	0.250
65	0.200	0.300	0.300	0.500	0.400
66	0.200	0.300	0.300	0.500	0.400
67	0.200	0.300	0.300	0.500	0.500
68	0.200	0.300	0.300	0.500	0.500
69	0.200	0.300	0.300	0.500	0.500
70+	1.000	1.000	1.000	1.000	1.000

6. *Retirement rates (continued)*:

Tier II - Public Safety (Unisex)				Tier II - Firefighters (Unisex)		
	Years of Service			Years of Service		
Age	0 – 25	25 – 29[1]	30+[1]	0 – 25	25 - 29[1]	30+[1]
40-44	N/A	0.180	N/A	N/A	0.075	N/A
45	N/A	0.180	0.180	N/A	0.075	0.120
46	N/A	0.180	0.180	N/A	0.075	0.120
47	N/A	0.180	0.180	N/A	0.075	0.120
48	N/A	0.180	0.180	N/A	0.075	0.120
49	N/A	0.150	0.150	N/A	0.075	0.120
50	N/A	0.150	0.150	N/A	0.075	0.120
51	N/A	0.150	0.150	N/A	0.075	0.120
52	N/A	0.150	0.150	N/A	0.075	0.120
53	N/A	0.150	0.180	N/A	0.075	0.120
54	N/A	0.150	0.180	N/A	0.075	0.120
55	N/A	0.150	0.180	N/A	0.075	0.120
56	N/A	0.150	0.180	N/A	0.075	0.120
57	N/A	0.150	0.180	N/A	0.150	0.120
58	N/A	0.150	0.180	N/A	0.150	0.150
59	N/A	0.150	0.180	N/A	0.150	0.150
60	0.050	0.200	0.200	0.050	0.150	0.150
61	0.050	0.200	0.200	0.050	0.150	0.150
62	0.050	0.300	0.300	0.050	0.250	0.200
63	0.100	0.300	0.300	0.100	0.250	0.200
64	0.100	0.300	0.300	0.100	0.250	0.250
65	0.300	0.300	0.300	0.500	0.500	0.400
66	0.300	0.300	0.400	0.500	0.500	0.400
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

[1] The retirement rate at the age the member is first eligible for an unreduced retirement benefit prior to the age of 65 is increased by 10%.

6. *Retirement rates (continued)*:

Judges - Males and Females			
	Years of Service		
Age	0 - 24	25 - 29	30+
45	N/A	0.100	0.100
46	N/A	0.100	0.100
47	N/A	0.100	0.100
48	N/A	0.100	0.100
49	N/A	0.100	0.100
50	N/A	0.100	0.100
51	N/A	0.100	0.100
52	N/A	0.100	0.100
53	N/A	0.100	0.100
54	N/A	0.100	0.100
55	N/A	0.100	0.100
56	N/A	0.100	0.100
57	N/A	0.100	0.100
58	N/A	0.100	0.100
59	N/A	0.100	0.100
60	N/A	0.100	0.100
61	N/A	0.100	0.100
62	0.150	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

7. *Salary increase rates*:

Active Male and Female Members - Local Government		
Years of Service	**Annual Promotional/Longevity Rates of Increase**	**Total Annual Rate of Increase Including 3.60% Wage Inflation**
0	5.00%	8.60%
1	3.75	7.35
2	3.50	7.10
3	3.00	6.60
4	2.75	6.35
5	2.50	6.10
6	2.25	5.85
7	2.10	5.70
8	1.85	5.45
9	1.70	5.30
10	1.45	5.05
11	1.30	4.90
12	1.25	4.85
13	1.10	4.70
14	1.00	4.60
15	1.00	4.60
16	0.90	4.50
17	0.80	4.40
18	0.70	4.30
19	0.60	4.20
20	0.55	4.15
21	0.50	4.10
22	0.40	4.00
23	0.30	3.90
24	0.20	3.80
25 or more	0.00	3.60

7. *Salary increase rates (continued)*:

Active Male and Female Members - Public Employees		
Years of Service	**Annual Promotional/Longevity Rates of Increase**	**Total Annual Rate of Increase Including 3.60% Wage Inflation**
0	5.15%	8.75%
1	4.40	8.00
2	3.65	7.25
3	2.90	6.50
4	2.65	6.25
5	2.15	5.75
6	2.15	5.75
7	1.95	5.55
8	1.65	5.25
9	1.65	5.25
10	1.40	5.00
11	1.40	5.00
12	1.40	5.00
13	1.15	4.75
14	0.90	4.50
15	0.90	4.50
16	0.90	4.50
17	0.90	4.50
18	0.65	4.25
19	0.65	4.25
20	0.65	4.25
21	0.40	4.00
22	0.40	4.00
23	0.40	4.00
24	0.20	3.80
25 or more	0.00	3.60

7. *Salary increase rates (continued)*:

Active Male and Female Members Public Educators		
Years of Service	**Annual Promotional/Longevity Rates of Increase**	**Total Annual Rate of Increase Including 3.60% Wage Inflation**
0	6.00%	9.60%
1	5.25	8.85
2	4.25	7.85
3	4.00	7.60
4	3.75	7.35
5	3.75	7.35
6	3.50	7.10
7	3.50	7.10
8	3.25	6.85
9	3.00	6.60
10	2.50	6.10
11	2.25	5.85
12	2.00	5.60
13	1.50	5.10
14	1.25	4.85
15	1.00	4.60
16	1.00	4.60
17	1.00	4.60
18	0.75	4.35
19	0.75	4.35
20	0.75	4.35
21	0.50	4.10
22	0.50	4.10
23	0.50	4.10
24	0.25	3.85
25 or more	0.00	3.60

7. *Salary increase rates (continued)*:

Active Male and Female Members Public Safety		
Years of Service	**Annual Promotional/Longevity Rates of Increase**	**Total Annual Rate of Increase Including 3.75% Wage Inflation**
0	4.35%	8.10%
1	4.10	7.85
2	4.10	7.85
3	3.85	7.60
4	3.85	7.60
5	3.60	7.35
6	3.35	7.10
7	3.10	6.85
8	2.85	6.60
9	2.60	6.35
10	2.40	6.15
11	2.15	5.90
12	2.15	5.90
13	1.90	5.65
14	1.65	5.40
15	1.65	5.40
16	1.40	5.15
17	1.40	5.15
18	1.15	4.90
19	1.15	4.90
20	1.15	4.90
21	0.90	4.65
22	0.65	4.40
23	0.65	4.40
24	0.40	4.15
25+	0.10	3.85

7. *Salary increase rates (continued)*:

Active Male and Female Members Firefighters		
Years of Service	**Annual Promotional/Longevity Rates of Increase**	**Total Annual Rate of Increase Including 3.60% Wage Inflation**
0	4.75%	8.35%
1	4.50	8.10
2	4.25	7.85
3	4.25	7.85
4	4.00	7.60
5	4.00	7.60
6	3.75	7.35
7	3.50	7.10
8	3.25	6.85
9	3.00	6.60
10	2.50	6.10
11	2.00	5.60
12	1.75	5.35
13	1.50	5.10
14	1.25	4.85
15	1.00	4.60
16	1.00	4.60
17	0.75	4.35
18	0.50	4.10
19	0.50	4.10
20	0.50	4.10
21	0.25	3.85
22	0.25	3.85
23	0.25	3.85
24	0.00	3.60
25 or more	0.00	3.60

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 the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2020.
Female retirees: 110% of 2020 PR UTAH Retiree Mortality Table for females, projected with the ultimate rates from the MP-2020 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 the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2020.
Female retirees: 90% of 2020 PR UTAH Retiree Mortality Table for females, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2020.

Mortality Rates in Base Tables before Projection (Multipliers Applied)				
	Non-educators except judges		Educators and judges	
Age	Males	Females	Males	Females
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:

Life Expectancy for an Age 65 Retiree in Years					
	Year of Retirement				
Group	2030	2035	2040	2045	2050
Noneducators - Male	21.8	22.1	22.5	22.8	23.1
Noneducators - Female	23.4	23.7	24.0	24.3	24.6
Educators/Judges - Male	23.3	23.6	24.0	24.3	24.6
Educators/Judges - Female	24.9	25.2	25.5	25.8	26.1

9. *Disabled annuitant mortality rates*:

Males: 140% of the PUB-2016 for Disabled Males (General Employees), projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2016.
Females: 135% of the PUB-2016 for Disabled Females (General Employees), projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2016.

Disabled Mortality Rates in Base Table before Projections (Multipliers Applied)		
Age	**Males**	**Females**
20	0.003038	0.0001067
25	0.004690	0.001256
30	0.004102	0.001944
35	0.004158	0.002943
40	0.005362	0.004320
45	0.007994	0.006426
50	0.012110	0.009896
55	0.018494	0.015053
60	0.028224	0.022923
65	0.033684	0.025299

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

Life Expectancy for an Age 65 Retiree in Years					
Gender	**Year of Retirement**				
	2030	**2035**	**2040**	**2045**	**2050**
Males	16.2	16.6	17.1	17.5	17.9
Females	18.0	18.5	18.9	19.3	19.8

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 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. Additionally, the amortization period for the Higher Education Risk Pool will revert back to a closed amortization period should be the funds become less than 100% funded.

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

All contribution rates are based upon monthly payments of contributions.

11. *Actuarial value of assets*:

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

12. *Payroll growth rate*:

In determining the level percent of payroll amortization rate, payroll is assumed to grow annually at 2.90%. 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 6.95% investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

15. *Judges System*:

For the Judges System, no disability or withdrawal rates were used. Salaries are assumed to increase at 3.35% per year.

16. *Governors and Legislative Pension Plan*:

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

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

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

18. *Mortality Improvement:*

For post-retirement mortality, both healthy and disabled, we assume continuous (generational) mortality improvement using the ultimate rates from the MP-2020 mortality improvement scale. Mortality improvement is ignored for the pre-retirement mortality assumption, since it would not have a material effect on the liabilities.

19. *LTD Benefit Protection Contracts*:

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

20. *Cost-of-living increases*:

Retirement benefits for all systems with a maximum 4.00% COLA are assumed to increase at 2.60% 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

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)

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.

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.

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.

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%

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*:

   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.

   c. 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).

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

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.

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.

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

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.

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.

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.)

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 consider 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, 2024, the benefit base is therefore $32.80.
    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, 2024, the benefit base is therefore $1,520.00.
    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.

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.

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.

   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.

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.

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

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.

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 allowance"). If a member has 20 to 24 years of service but is not 60 or older, then the death benefit is equal to 2/3 of the "full

allowance". If the member has at least 15 but less than 20 years of service and is below age 62, the benefit is 1/3 of the "full allowance". If the member is age 60 or older with at least 20 years of service, age 62 or older with at least 10 years of service, or age 65 with 4 or more years of service, the spouse will receive the Option 3 benefit with actuarial reductions.

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

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

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

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

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

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

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

16. *Postretirement Death Benefit*: None, except as elected by the member. See Optional Forms of Benefit above.

17. *Postretirement Benefit Increases*: Benefits are increased annually to take into account changes in the cost of living. The maximum annual increase is 2.50% of the original benefit (i.e., a maximum 2.50% simple interest increase). However, in years in which the cost of living increases more than the maximum COLA, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than the maximum COLA. This calculation is made separately for each individual.

APPENDIX 3

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.

Glossary (Continued)

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

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

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

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

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

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

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

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

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

GASB: Governmental Accounting Standards Board.

Glossary (Continued)

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

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

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

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