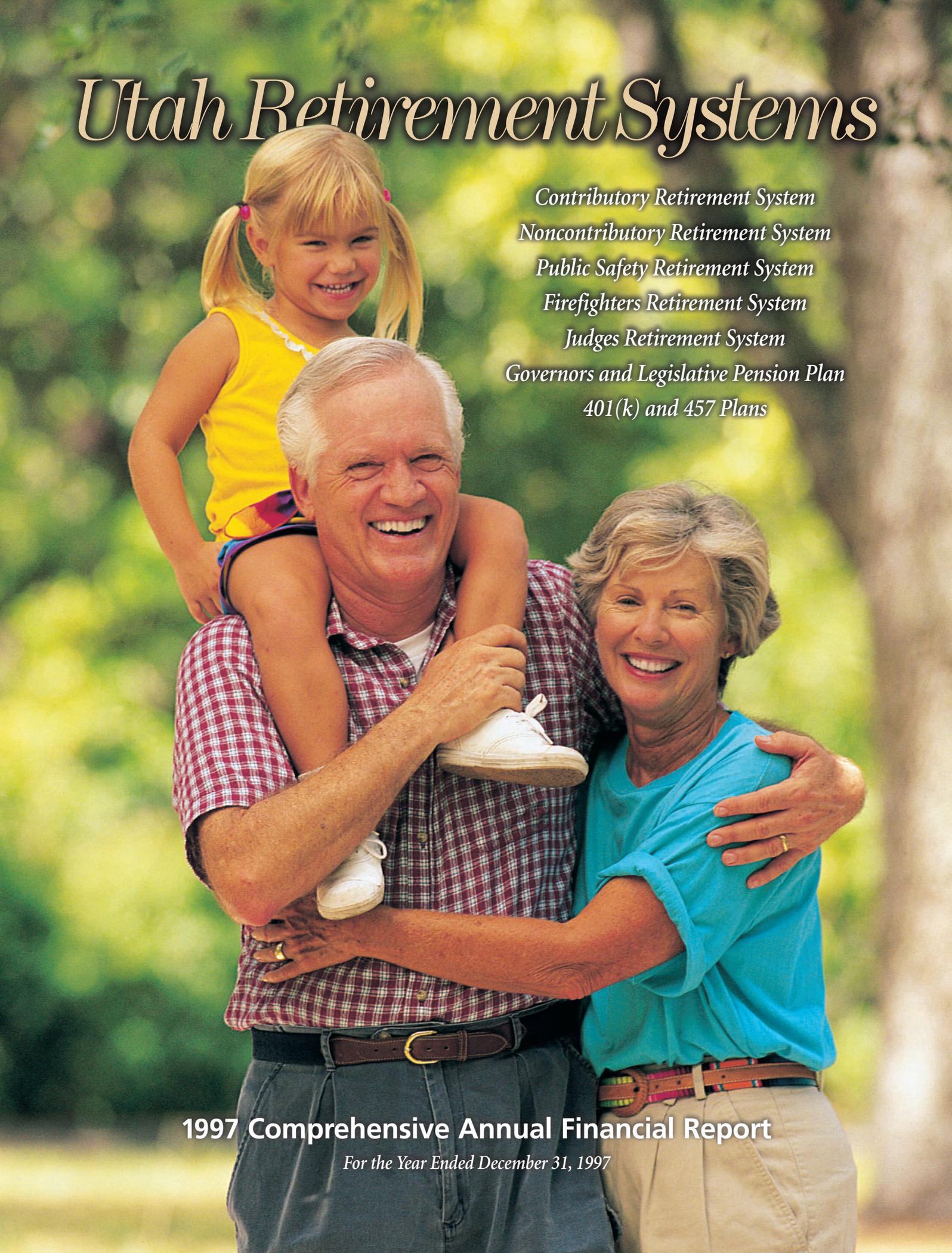


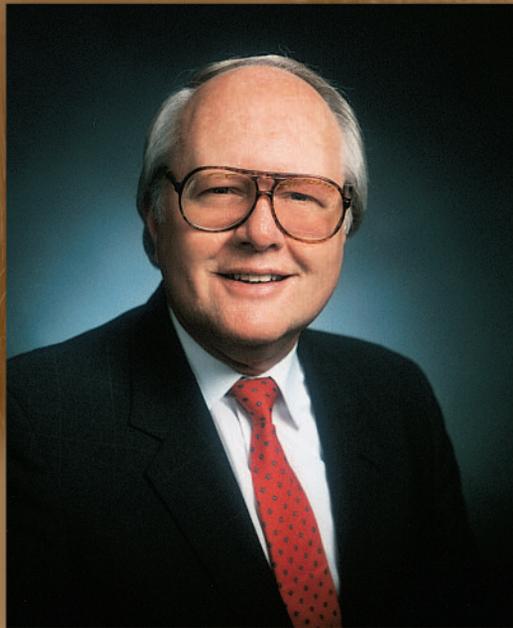
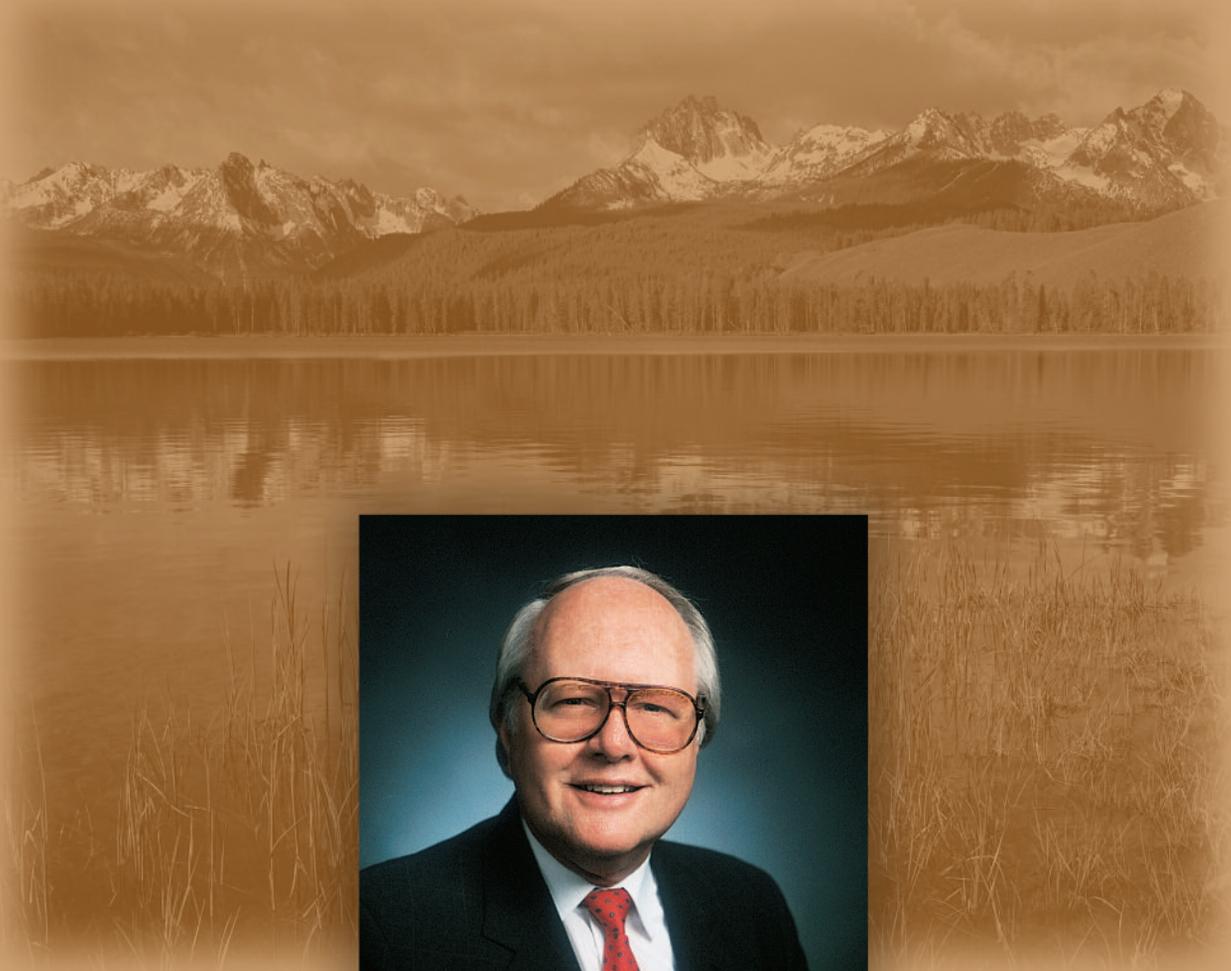
Utah Retirement Systems



*Contributory Retirement System
Noncontributory Retirement System
Public Safety Retirement System
Firefighters Retirement System
Judges Retirement System
Governors and Legislative Pension Plan
401(k) and 457 Plans*

1997 Comprehensive Annual Financial Report

For the Year Ended December 31, 1997



M. Dee Williams
Executive Director
Utah Retirement Systems

1997

Utah Retirement Systems

1997 Comprehensive Annual Financial Report

For the Year Ended December 31, 1997

Contributory Retirement System

Noncontributory Retirement System

Public Safety Retirement System

Firefighters Retirement System

Judges Retirement System

Governors and Legislative Pension Plan

401(k) and 457 Plans

Prepared by

Finance Department • Utah Retirement Systems
540 East 200 South • Salt Lake City, Utah 84102-2099

M. Dee Williams, Executive Director
Robert J. Stringham, CPA, Chief Financial Officer

Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Utah Retirement Systems

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1996

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



Linda N. Savitsky
President

Jeffrey L. Esser
Executive Director

Achievement Award



Public Pension Coordinating Council

**Public Pension Principles
1996 Achievement Award**

Presented to

Utah Retirement Systems

In recognition of instituting professional standards for public employee retirement systems as established by the Public Pension Principles.

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

A handwritten signature in black ink, appearing to read 'Carlos Resendez', written in a cursive style.

Carlos Resendez
Chairman

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Utah Retirement Systems
1997 Comprehensive Annual Financial Report



Introductory Section

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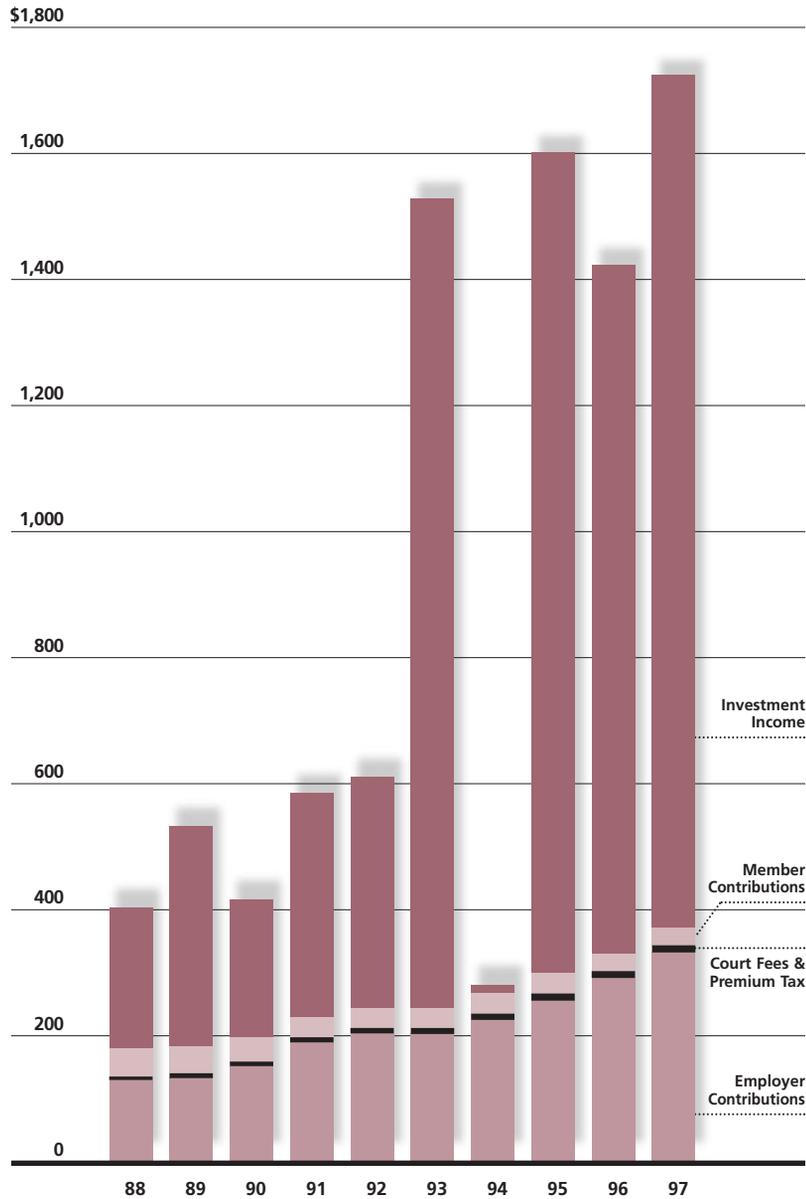
Utah State Retirement Board 11

Organization Chart 12

Administrative Staff and Professional Consultants 13

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(IN MILLIONS)



Additions by Source

ALL RETIREMENT SYSTEMS

(IN MILLIONS)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Investment Income	\$ 227	357	224	364	375	1,312	14	1,330	1,118	1,381
Member Contributions	46	44	39	32	31	32	33	34	28	29
Court Fees and Premium Tax	1	3	3	3	4	5	5	6	6	6
Employer Contributions	137	140	159	198	213	212	235	266	302	344
Totals	\$411	544	425	597	623	1,561	287	1,636	1,454	1,760

Letter of Transmittal

UTAH STATE RETIREMENT BOARD
UTAH RETIREMENT SYSTEMS
540 East 200 South
Salt Lake City, Utah 84102-2099
(801) 366-7700
(800) 365-8772 TOLL FREE
(801) 366-7734 FAX

M. DEE WILLIAMS
EXECUTIVE DIRECTOR

February 27, 1998

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

Dear Board Members:

We are pleased to present the Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems) and 401(k) and 457 Plans (Plans) administered by the Utah State Retirement Board for calendar year 1997. The financial reporting entity of the Systems and Plans include the Public Employees Contributory and Noncontributory Retirement Systems, for both public and educational employees, and the Public Safety, Firefighters and Judges Retirement Systems, the Governors and Legislative Pension Plan, the 401(k) and 457 Plans and the Retirement Investment Trust Fund into which the assets of the participating funds are invested on a pooled basis.

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

For financial reporting purposes, the Systems utilize Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. Assets of the Systems and Plans are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the required supplementary information following the notes to the financial statements.

The Utah Retirement Systems and 401(k) and 457 Plans were established by legislation as indicated in the notes to the financial statements on page 34. The Summary of Plan Pro-

visions is presented on pages 94 through 101. The number of active and retired members and beneficiaries for each system is presented in the Systems' Highlights on pages 14 through 26. The purpose of the Systems and Plans is to provide benefits for all eligible state, local governmental and most public educational employees whose employers have elected to participate. All services provided by the staff are performed to meet that objective.

The 1997 Comprehensive Annual Financial Report is presented in five sections. The Introductory Section contains the transmittal letter, the Board President's letter, identification of the Systems' administrative organization and professional consultants, as well as Systems' Highlights for each retirement system. The Financial Section contains the opinion of the independent certified public accountants, the financial statements and required supplementary information of the Systems and further information about the Systems at division levels. The Investment Section contains investment information and a list of its largest holdings. The Actuarial Section contains the independent consulting actuary's certification, an outline of actuarial assumptions and methods, and other actuarial statistics. The Statistical Section contains tables of significant data pertaining to the Systems.

Economic Condition and Outlook

The economic condition of the Systems is based primarily upon investment earnings. For 1997 the Systems experienced a 15.75% fair value rate of return and for the last five years, an average annualized rate of return of 13.62%. The Systems' investments were evaluated at year end by Callan Associates, Inc., Investment Measurement Service. A comparative analysis of rates of return is presented on page 74 of this report.

For the Future

During 1997, actuarial assumptions and contribution rates were based on the recommendations of our actuary. See the Actuarial Section of this report and the notes to the general purpose financial statements for explanations of these rates. Rate changes resulted from actuarial assumption modifications, economic conditions, actuarial experience gains and losses and benefit enhancements in the Systems.

The Utah Retirement Systems are maintained on an actuarially sound basis as certified in this report by our actuary, thus protecting participants' future benefits. We anticipate that investment earnings will continue to meet or exceed actuarially assumed earning rates. We expect all systems to continue toward fully funded positions.

Letter of Transmittal (Continued)

Financial Information

The management of the Systems is responsible for maintaining a system of adequate internal accounting control designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. This system includes written policies and procedures and an internal audit department that reports to the Board.

Additions

The reserves needed to finance retirement benefits are accumulated through the collection of employer and employee retirement contributions and through earnings on investments. Contributions and net investment income for calendar year 1997 totaled \$2.0 billion for all retirement systems and related funds (see Table 1).

The overall additions increased \$376 million compared to those of 1996 due to increased investment earnings. Retirement contributions increased 12.1%. The Investment Section of this report reviews activity and results of the investments for 1997. The fair value of the investments of the Systems and Plans exceeded \$11.1 billion on December 31, 1997, an increase of approximately \$1.7 billion over 1996.

TABLE 1. Additions (All Systems)

<i>(DOLLARS IN MILLIONS)</i>				
Utah Retirement Systems	1997	1996	Increase Amount	Increase Percentage
Member contributions	\$ 134.5	120.0	14.5	12.1%
Employer contributions	350.4	308.6	41.8	13.6
Investment income	1,534.8	1,215.0	319.8	26.3
Total additions	\$2,019.7	1,643.6	376.1	22.9%

TABLE 2. Deductions (All Systems)

<i>(DOLLARS IN MILLIONS)</i>				
Utah Retirement Systems	1997	1996	Increase Amount	Increase Percentage
Benefit payments	\$298.6	269.6	29.0	10.8%
Refunds	52.0	51.4	0.6	1.2
Administrative expenses	10.1	8.1	2.0	24.7
Total deductions	\$360.7	329.1	31.6	9.6%

Deductions

The primary deductions of the Systems include the payment of benefits to members and beneficiaries, the refund of contributions to former members and the cost of administering the retirement systems. Deductions for calendar year 1997 totaled approximately \$361 million, an increase of 9.6% over 1996 deductions (see Table 2). The increase in benefit payments resulted primarily from an increase in both the number and average amount of benefits paid. Additions of \$2.0 billion exceeded deductions of approximately \$361 million by \$1.6 billion during 1997.

Funding

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

The actuarial accrued liability of the Systems is determined by the actuary. It is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to current retirees, beneficiaries and employees for service earned to date. The percentage computed by dividing the actuarial value of net assets available for benefits by the actuarial accrued liability is generally referred to as the "funding ratio". This ratio provides an indication of the funding status of the Systems on a going-concern basis and generally, the greater this percentage, the stronger the System. A higher level of funding gives the participants a greater degree of assurance that their pension benefits are secure.

Although the historical level of funding is good, constant effort will be directed at funding progress, assuring participants of financially sound retirement systems. Funding status and progress for overall Systems are presented in the Required Supplementary Information Schedules of Funding Progress on page 43. Funding ratios range from 90% to 132%.

Investments

At fair value the investment portfolio mix at the end of 1997 is 24% fixed income, 59% equities, 5% venture capital, 10% real estate and 2% cash equivalents. The 24% fixed

income is comprised of 21% domestic and 3% international instruments. The 59% equities are comprised of 42% domestic and 17% international equities. The Systems' investment outlook is long-term allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category.

The Board utilizes internal and external portfolio managers employing both passive (indexed) and active strategies. The portfolio is broadly diversified among the equities, fixed income, real estate, and venture capital with additional diversification achieved through domestic and international investing.

Cash Management

Cash is invested in demand deposits, short-term investment funds and high grade commercial paper. The short-term portion of the portfolio achieved a 5.93% rate of return compared to the 91-day Treasury bill rate of 5.37% for the same period.

Investment Risk

The Systems' investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. All collateral on deposits is held in the counterparties' joint custody accounts at the Federal Reserve Bank. On occasion, deposits may be significantly greater than collateral due to investment purchase "fails", receipt of interest earnings on the 15th of each month and proceeds from investment sales and maturities. Of \$11.1 billion in investments at fair value at December 31, 1997, none of the Systems' investments were in the category of highest custodial credit risk as defined by the GASB.

Independent Audit

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

Actuarial Survey and Valuation

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utah Retirement Systems for its Comprehensive Annual

Financial Report for the fiscal year ended December 31, 1996. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such financial reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Utah Retirement Systems has received a Certificate of Achievement for the last 13 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

In addition, the Utah Retirement Systems were awarded the Public Pension Coordinating Council's Public Pension Principles Achievement Award. This award is for achievement of high professional standards for public employee retirement systems. The award is based on compliance with principles that underlie retirement system achievements in the areas of benefits, actuarial valuations, financial reporting, investments and disclosures to members.

Acknowledgments

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

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

Sincerely yours,



Robert J. Stringham, CPA
Chief Financial Officer



M. Dee Williams
Executive Director

Board President's Letter

UTAH STATE RETIREMENT BOARD

UTAH RETIREMENT SYSTEMS

540 East 200 South
Salt Lake City, Utah 84102-2099
(801) 366-7700
(800) 365-8772 TOLL FREE
(801) 366-7734 FAX

M. DEE WILLIAMS
EXECUTIVE DIRECTOR

February 27, 1998

Dear Members of the Utah Retirement Systems:

It's enormously satisfying for me and for the other trustees of the Retirement Board to look upon 1997 with the knowledge that your Retirement Systems have grown in strength and stature. In presenting this annual report on the progress of the Utah Retirement Systems (URS) and its defined contribution plans it's my pleasure to note some highlights.

Investments. Due in large measure to a robust stock market, URS achieved a healthy 15.7% rate of return adding a record \$1.53 billion to the Retirement Systems. In fact, successive years of strong returns have pushed the Systems' five-year compounded average rate of return to 13.6%. Congratulations to our investment staff, advisors, and managers for their exemplary performance.

You can feel confident that the assets dedicated to providing your promised retirement benefit will continue to be prudently invested under Board approved policies that balance investment risk and return in a diversified investment portfolio.

Accordingly, I can report that all of the retirement systems remain actuarially sound. The assets in the Retirement Systems—\$10.1 billion on December 31, 1997—will provide the benefits you've earned during your career in public employment. Indeed, current benefits paid to retired members represent a significant contribution to Utah's economy.

While stellar earnings have helped sustain the Systems' solidarity, I gratefully acknowledge the steady support of the Governor, the Legislature, employers, and employees whose commitment to the required contribution rates has produced a system which is the envy of other pension funds.

Legislation. In addition to gaining a new noncontributory retirement system for judges, I'm happy to announce that surviving spouses of deceased active members of the Public Employees Noncontributory Retirement System became eligible in 1997 for proportional benefits depending on the member's length of service.

401(k) and 457 Plans. More and more members in 1997 recognized the value of preparing and saving for their retirement years through the Board's tax-deferred 401(k) and 457 Plans. Member accounts in these plans grew by more than 26% from \$789 million to \$996 million during 1997, no doubt encouraged by the outstanding returns on the investment options offered by the Board:

S & P Stock Index—31.0% Templeton—12.3% Fidelity Puritan—20.5% Income Fund—6.3%
Group Annuity Fund—6.4% (closed to future contributions)

A major activity of our defined contribution staff in 1997 was the design and expansion of the plans' investment options. As our marketing representatives present these exciting new options to members in 1998, we expect even greater interest in personal retirement planning.

Finally, we as the Board recognize the exceptional leadership of the Systems' administrator and Executive Director, M. Dee Williams. He and his staff are dedicated to serving you and your needs. With the reappointment of Board members Mary A. Garner and Marvin J. Hammond by the Governor, we will continue to have your interests and financial security in mind as we discharge our fiduciary obligations.

Sincerely,



Edgar H. Thronsen, President
Utah State Retirement Board

Utah State Retirement Board and Executive Director

Retirement Board



Edgar H. Throndsen
President
◆ Appointed July 1, 1987
◆ Current term expires June 30, 1998
◆ Represents investment community



Dannie R. McConkie
Vice President
◆ Appointed July 1, 1987
◆ Current term expires June 30, 1999
◆ County Commissioner
◆ Represents public employees



Edward T. Alter
◆ Member since January 1, 1981
◆ Ex-officio member
◆ State Treasurer



Mary A. Garner
◆ Appointed August 19, 1991
◆ Current term expires June 30, 2001
◆ President, United Savings Bank, Western Mortgage Loan Corp.
◆ Represents investment community



Marvin J. Hammond
◆ Appointed August 19, 1993
◆ Current term expires June 30, 2001
◆ Represents investment community



J. Chad Hamilton
◆ Appointed July 1, 1994
◆ Current term expires July 1, 1998
◆ Senior Vice President Zion's First National Bank
◆ Represents investment community



Lily Eskelsen
◆ Appointed July 1, 1995
◆ Current term expires June 30, 1999
◆ Past President, Utah Education Association
◆ Represents education employees

Executive Director



M. Dee Williams
Executive Director

Membership Council

Member/Represents

Judge Leslie D. Brown
Utah Judicial Council

Mr. Ken Budge* (*Vice Chair*)
Professional Firefighters of Utah

Mr. Dennis D. Ewing* (*Chair*)
Utah Association of Counties

Ms. Shirley Forester
Utah Education Association

Mr. Phil Goodrich*
Utah League of Cities and Towns

Mr. Dean Holbrook
Utah Association of Retired Public Employees

Mr. Dan Howlett
Utah Peace Officers Association

Mr. Jim James
Utah Education Association

Ms. Karen Maestas
Utah School Employees Association

Dr. Norman D. Riggs*
Utah Retired School Employees Association

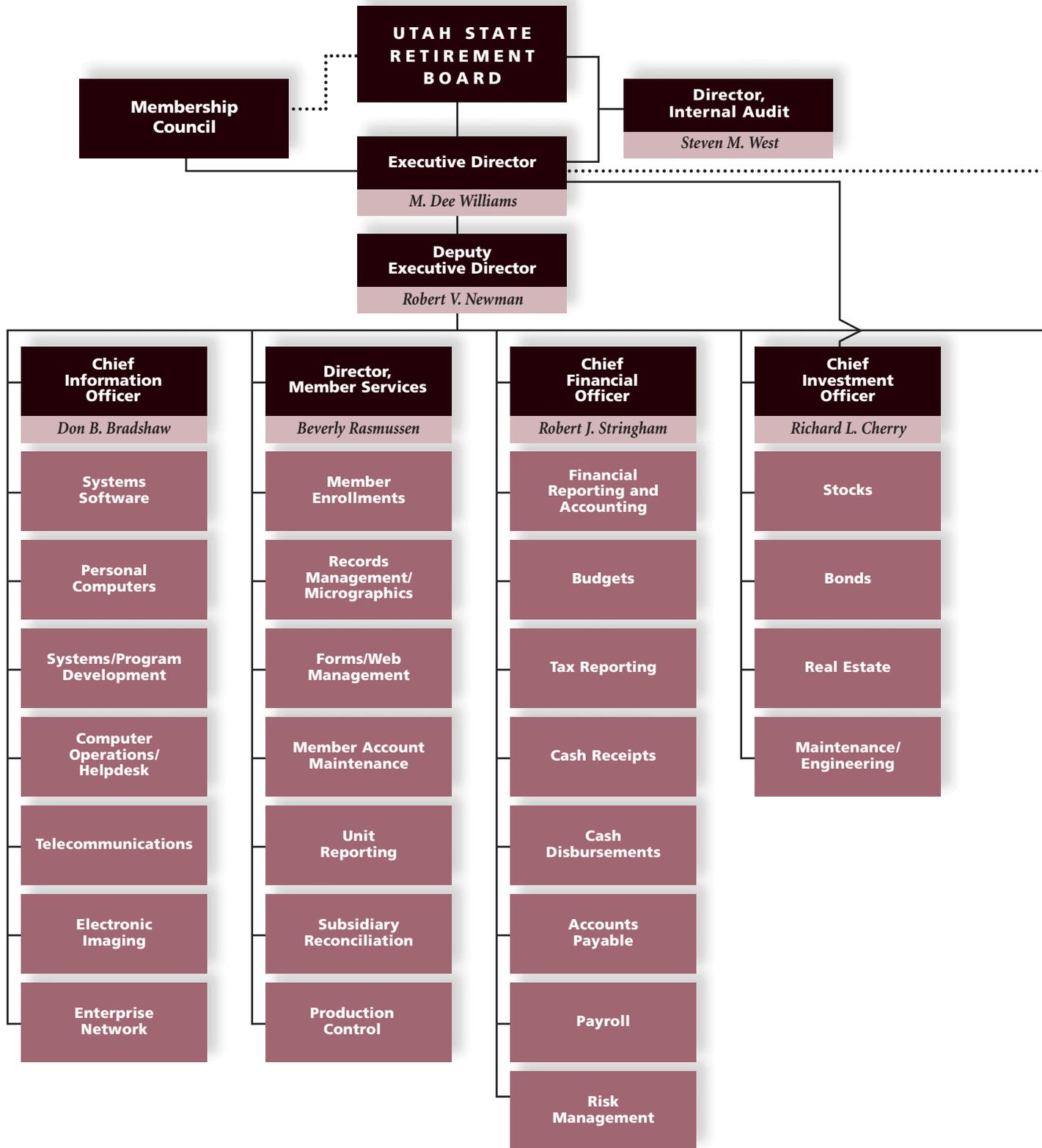
Mr. Ken Serre
Utah Public Employees Association

Ms. Phyllis Sorensen
Utah Education Association

Mr. Fred Van Der Veur*
Utah Public Employees Association

*Executive Committee

Utah State Retirement Board Organization Chart



Professional Services

*Actuary • Auditor • Legal • Consultants
Investment Advisors • Medical Examiner*
Detail for professional service providers is shown at right.

Director, Defined Contribution Plans and Field Services <i>Todd W Rupp</i>	Director, Human Resources <i>Don G. Pugmire</i>	Director, Retirement <i>Sharon Archibald</i>
401(k) Plan	Compensation	Public Division
457 Plan	Recruitment	School Division
Field Services	Training and Development	Public Safety/ Firefighters/ Judges
Branch Office	Employee Relations	Death Benefits
Communications	Personnel Policies	Redeposits, Purchases and Adjustments
Mailroom/ Duplicating/ Supplies	Office Receptionist	Refunds

Administrative Staff

M. Dee Williams
Executive Director

Robert V. Newman, CPA
Deputy Executive Director

Steven M. West, CPA
Director, Internal Audit

Don B. Bradshaw
Chief Information Officer

Robert J. Stringham, CPA
Chief Financial Officer

Beverly Rasmussen
Director, Member Services

Don G. Pugmire
Director, Human Resources

Sharon Archibald
Director, Retirement

Todd W Rupp, CPA
Director, Defined Contribution Plans and Field Services

Richard L. Cherry
Chief Investment Officer

Professional Consultants

ACTUARY

Watson Wyatt & Company
2121 San Jacinto Street
Dallas, TX 75201

AUDITOR

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

LEGAL COUNSEL

Howard and Associates
560 East 200 South
Salt Lake City, UT 84102

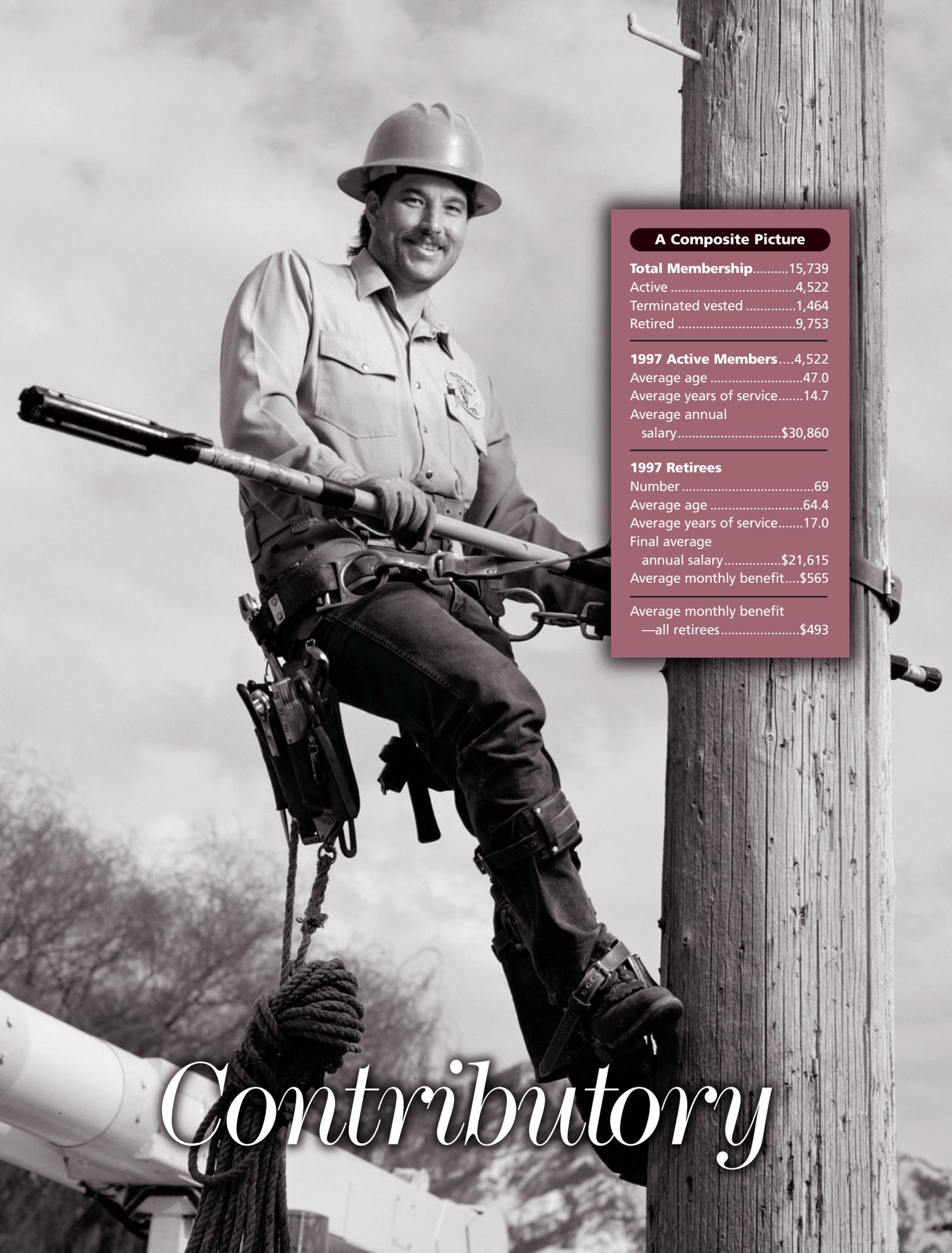
MEDICAL EXAMINER

Howard McQuarrie, M.D.
1141 East 3900 South
Salt Lake City, UT 84117

CONSULTANTS

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

Martin E. Segal Company
520 S. Virgil Ave.
Los Angeles, CA 90020



A Composite Picture

Total Membership.....15,739
Active4,522
Terminated vested1,464
Retired9,753

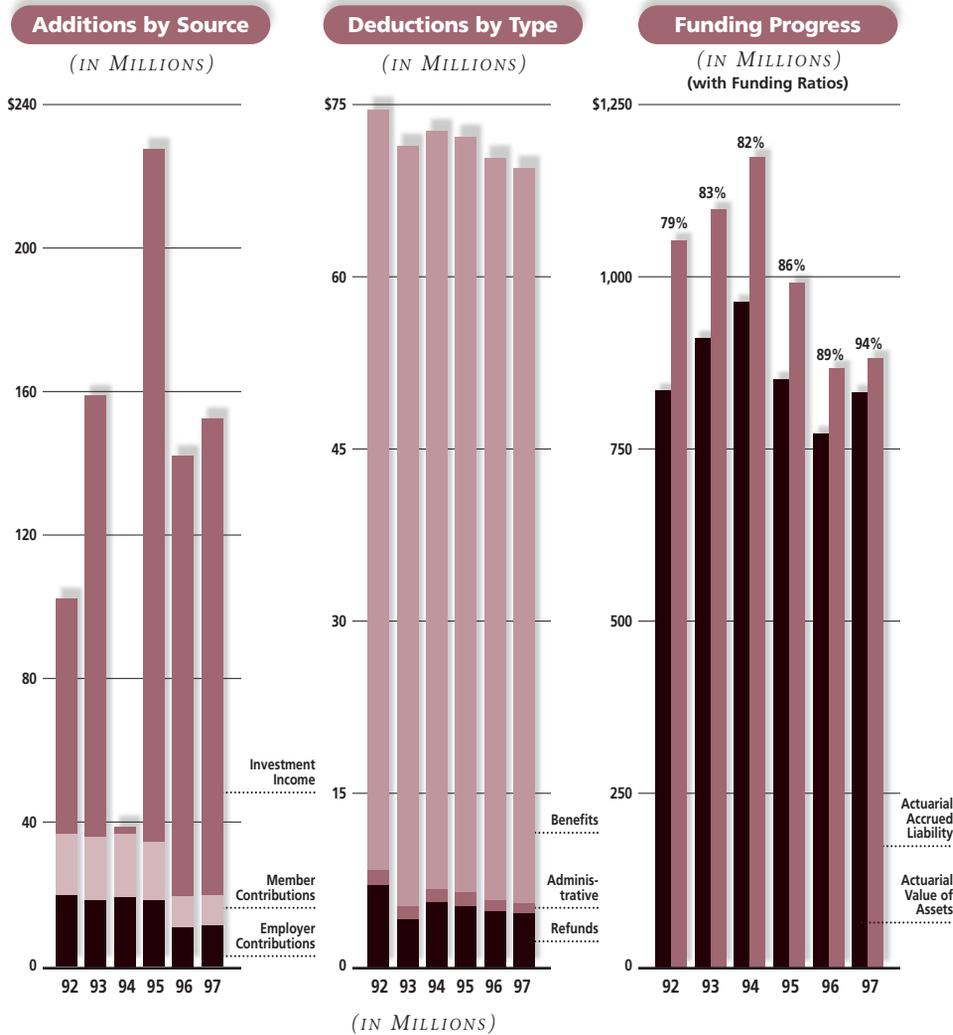
1997 Active Members....4,522
Average age47.0
Average years of service.....14.7
Average annual
salary.....\$30,860

1997 Retirees
Number69
Average age64.4
Average years of service.....17.0
Final average
annual salary.....\$21,615
Average monthly benefit....\$565

Average monthly benefit
—all retirees.....\$493

Contributory

Contributory Retirement System System Highlights



Additions by Source	1992	1993	1994	1995	1996	1997
Investment Income	\$ 65.9	123.3	2.2	193.7	123.0	133.3
Member Contributions	17.2	17.6	17.6	16.4	8.8	8.5
Employer Contributions	19.1	17.9	18.7	17.7	10.2	10.7
Totals	\$102.2	158.8	38.5	227.8	142.0	152.5

Deductions by Type	1992	1993	1994	1995	1996	1997
Benefit Payments	\$66.1	66.0	65.8	65.6	64.5	63.9
Administrative Expense	1.3	1.2	1.2	1.2	1.0	0.8
Refunds	7.1	4.1	5.6	5.3	4.8	4.7
Totals	\$74.5	71.3	72.6	72.1	70.3	69.4

Funding Progress	1992	1993	1994	1995	1996	1997
Actuarial Value of Assets	\$ 835.3	911.7	964.2	852.0	773.0	833.2
Actuarial Accrued Liability	1,054.2	1,099.2	1,176.2	992.4	868.7	883.4
Funding Ratios	79%	83%	82%	86%	89%	94%

Membership

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

Service Retirement

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

Service Benefit Formula

- Number of years of service before 7-1-67 x 1.10%** x FAS*.
- Number of years of service between 7-1-67 and 6-30-75 x 1.25% of FAS*.
- Number of years of service after 7-1-75 x 2.0% x FAS*.
- Plan 1 allowance = total of 1, 2 and 3.

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

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

Cost of Living Allowance

Up to 4.0% annually on original retirement benefit.

Contribution Rates

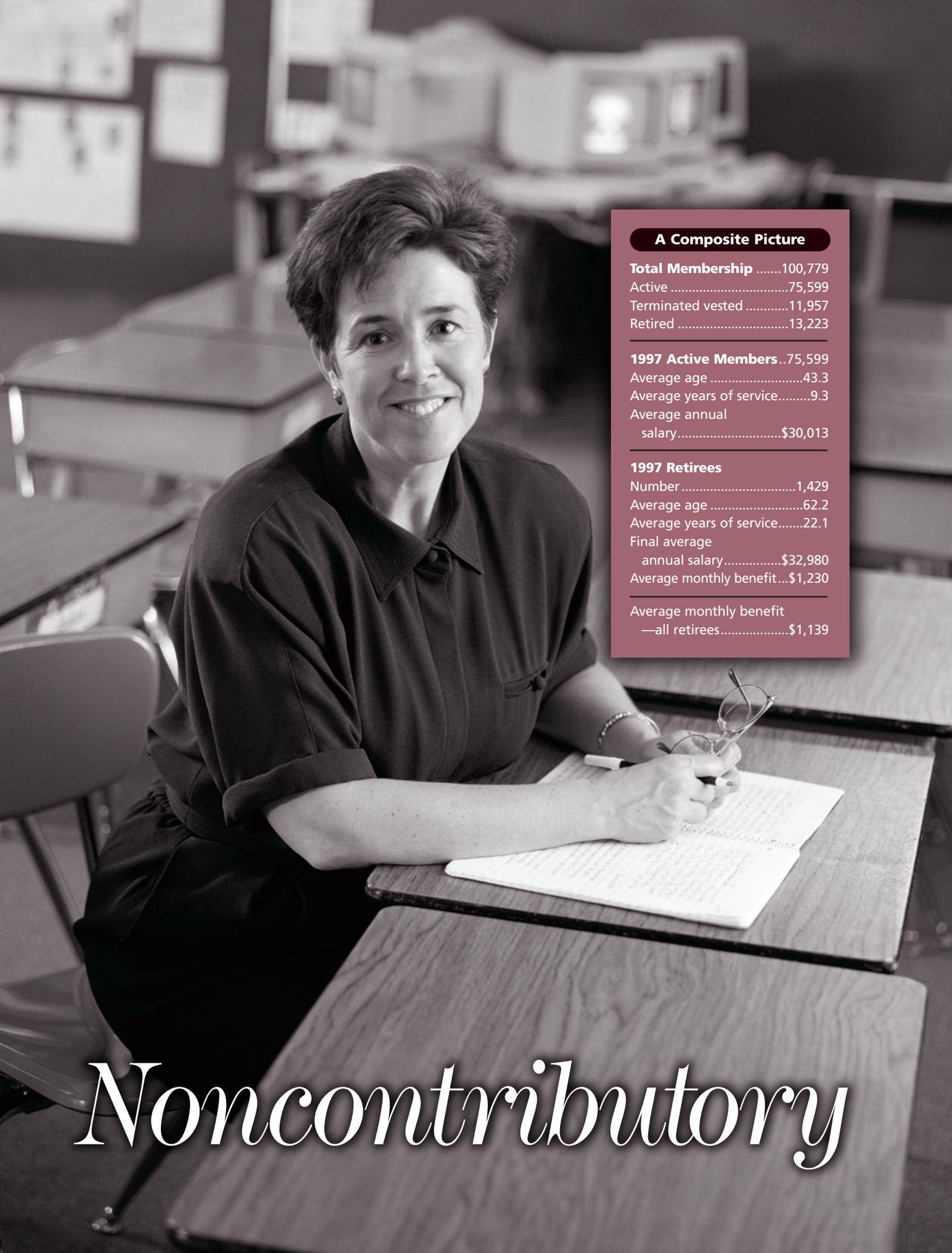
(as of 12-31-97)

Member rate in levels A and B is 6.0% of salary.

Employer rate in level A is 9.67% of payroll; in level B 6.5%.

For more detail see Summary of Plan Provisions on page 94.

*Photo:
Jay Gammon
Power Lineman
Provo City*



A Composite Picture

Total Membership100,779
Active75,599
Terminated vested11,957
Retired13,223

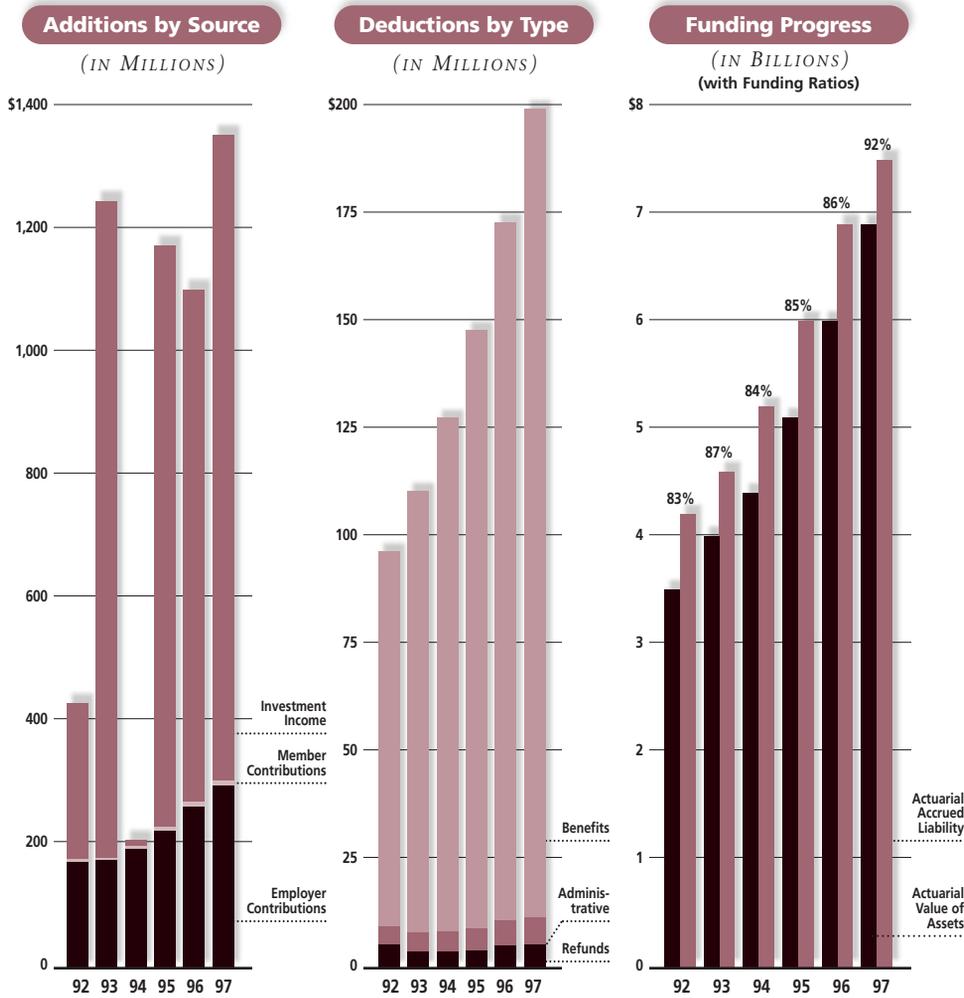
1997 Active Members..75,599
Average age43.3
Average years of service.....9.3
Average annual
salary.....\$30,013

1997 Retirees
Number1,429
Average age62.2
Average years of service.....22.1
Final average
annual salary.....\$32,980
Average monthly benefit...\$1,230

Average monthly benefit
—all retirees.....\$1,139

Noncontributory

Noncontributory Retirement System System Highlights



Additions by Source

	1992	1993	1994	1995	1996	1997
Investment Income	\$254.6	1,066.4	9.9	943.7	832.5	1,047.2
Member Contributions	2.6	2.4	2.9	5.6	6.7	7.3
Employer Contributions	171.5	174.2	194.2	221.0	260.1	294.9
Totals	\$428.7	1,243.0	207.0	1,170.3	1,099.3	1,349.4

Deductions by Type

	1992	1993	1994	1995	1996	1997
Benefit Payments	\$86.4	101.6	118.2	137.9	161.0	186.3
Administrative Expense	4.2	4.4	4.6	5.1	5.7	6.3
Refunds	5.0	3.8	3.5	3.6	4.8	5.0
Totals	\$95.6	109.8	126.3	146.6	171.5	197.6

Funding Progress

	1992	1993	1994	1995	1996	1997
Actuarial Value of Assets	\$3.5	4.0	4.4	5.1	6.0	6.9
Actuarial Accrued Liability	4.2	4.6	5.2	6.0	6.9	7.5
Funding Ratios	83%	87%	84%	85%	86%	92%

Membership

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

Service Retirement

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

Service Benefit Formula

- Number of years of service x 2.00% x FAS*

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

Cost of Living Allowance

Up to 4.0% annually on original retirement benefit.

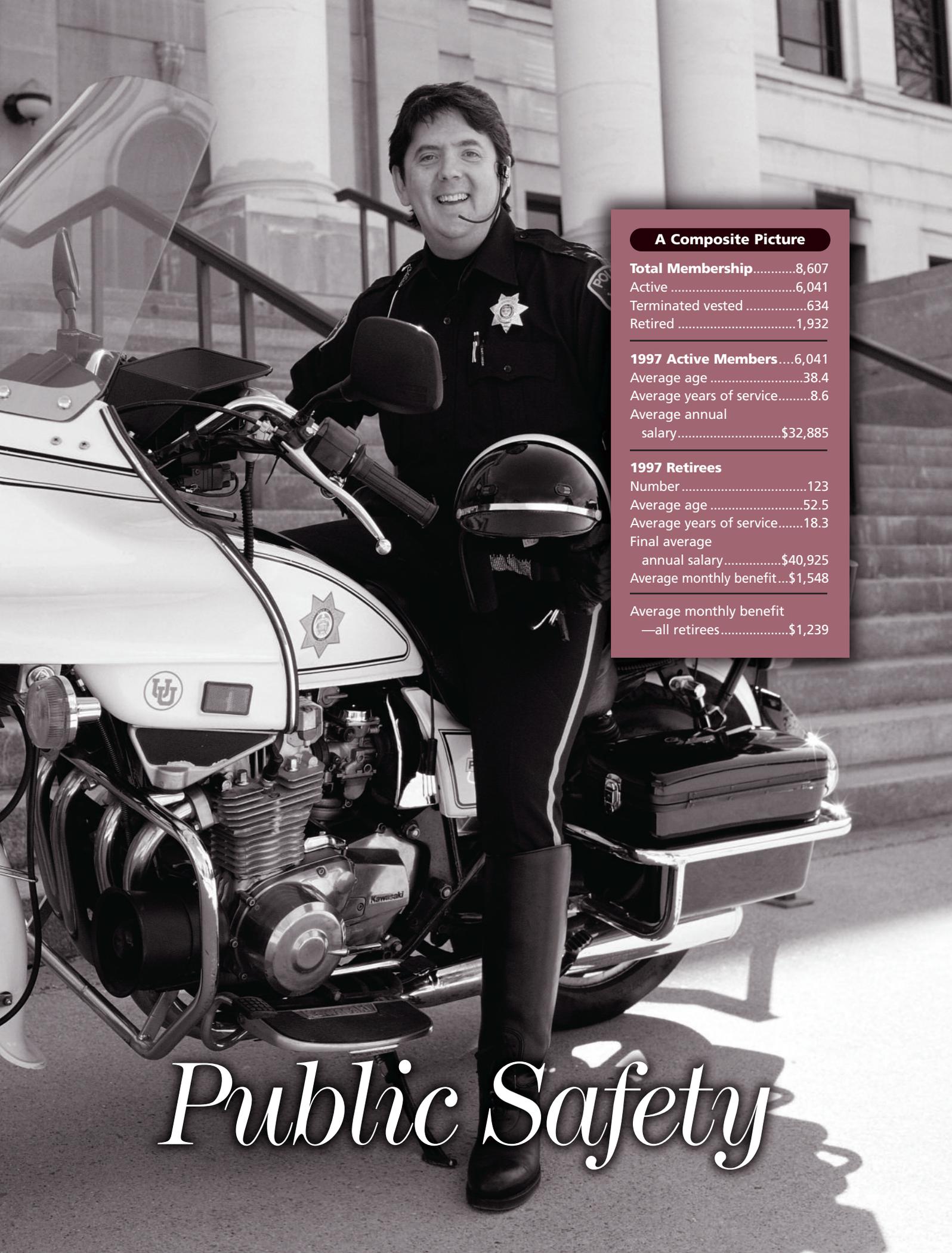
Contribution Rates

(as of 12-31-97)

Employer rate in level A is 14.16% of payroll; in level B 10.51%.

For more detail see Summary of Plan Provisions on page 95.

*Photo:
Xenia B. Young, Teacher
Stansbury Park Elementary
Tooele School District*



A Composite Picture

Total Membership.....8,607
Active6,041
Terminated vested634
Retired1,932

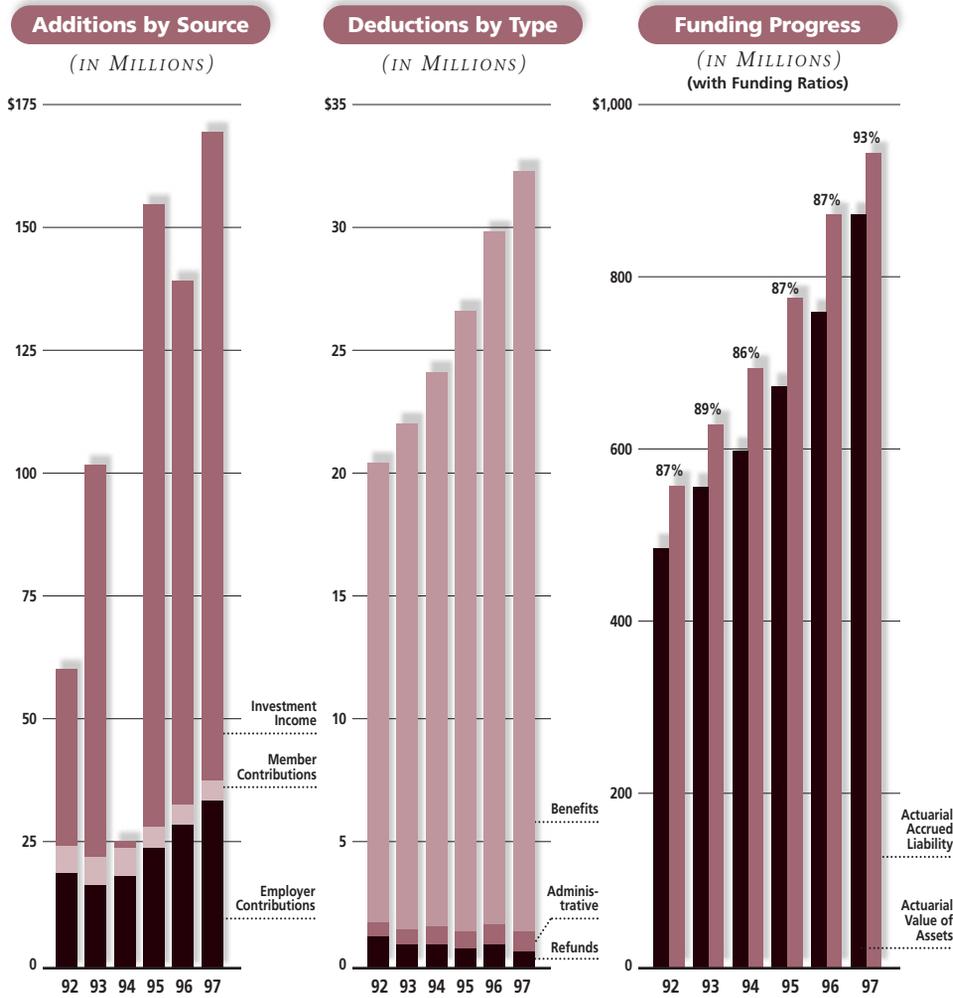
1997 Active Members....6,041
Average age38.4
Average years of service.....8.6
Average annual salary.....\$32,885

1997 Retirees
Number123
Average age52.5
Average years of service.....18.3
Final average annual salary.....\$40,925
Average monthly benefit...\$1,548

Average monthly benefit
—all retirees.....\$1,239

Public Safety

Public Safety Retirement System System Highlights



	1992	1993	1994	1995	1996	1997
Additions by Source						
Investment Income	\$36.1	80.1	1.3	127.2	107.1	132.5
Member Contributions	5.7	5.9	5.8	4.3	4.2	4.3
Employer Contributions	19.4	17.0	18.9	24.7	29.3	34.2
Totals	\$61.2	103.0	26.0	156.2	140.6	171.0
Deductions by Type						
Benefit Payments	\$18.7	20.6	22.6	25.3	28.2	31.0
Administrative Expense	0.6	0.6	0.7	0.7	0.8	0.8
Refunds	1.2	0.9	0.9	0.7	0.9	0.6
Totals	\$20.5	22.1	24.2	26.7	29.9	32.4
Funding Progress						
Actuarial Value of Assets	\$485.9	555.5	596.9	670.6	755.1	867.2
Actuarial Accrued Liability	557.7	627.4	691.1	771.2	866.5	937.1
Funding Ratios	87%	89%	86%	87%	87%	93%

Membership

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

Service Retirement

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

Service Benefit Formula

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

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

**Benefits paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 2.5% annually on original retirement benefit.

Contribution Rates

(as of 12-31-97)

CONTRIBUTORY

Member rates range from 10.50% to 13.74%.

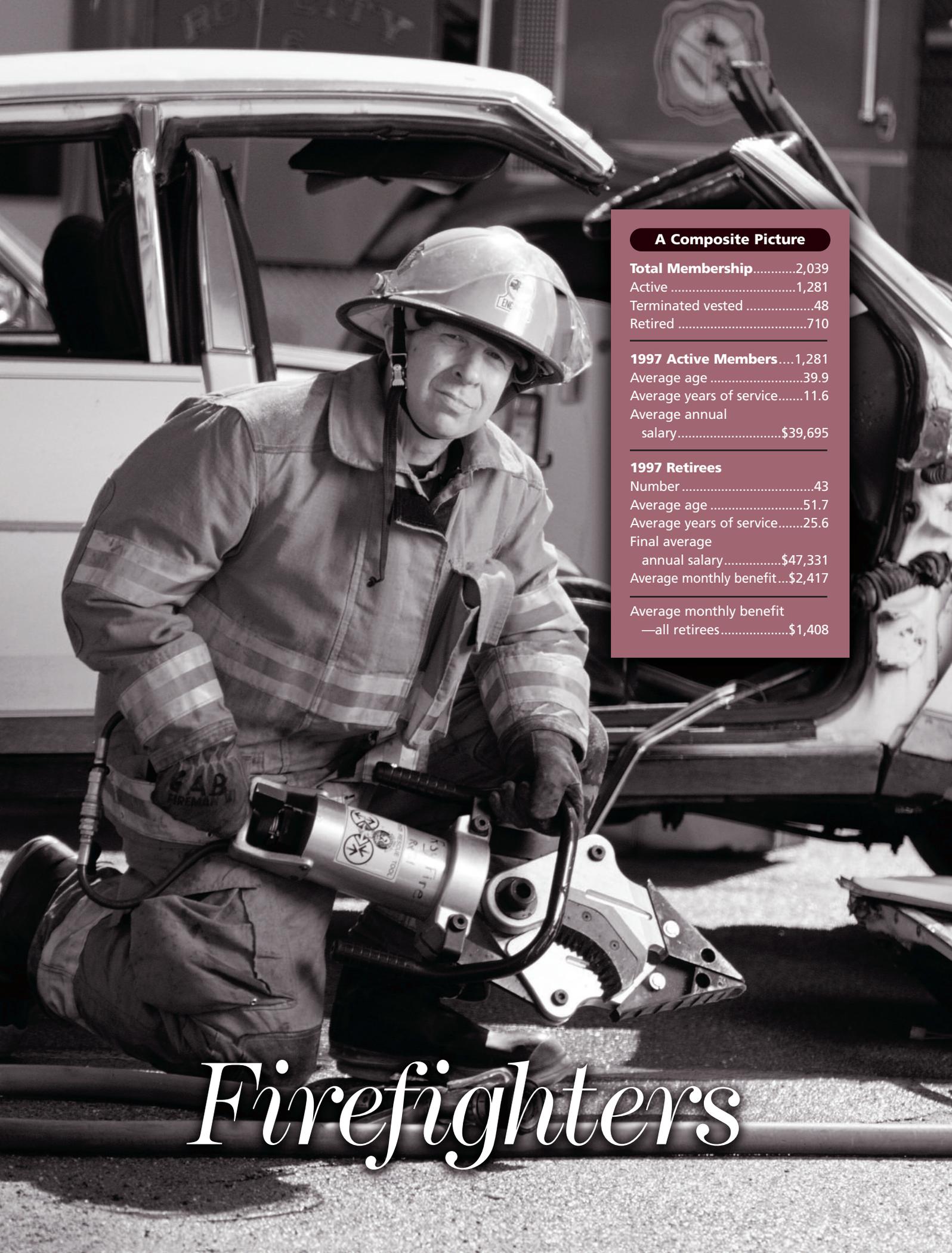
Employer rates range from 5.62% to 21.82%.

NONCONTRIBUTORY

Employer rates range from 17.09% to 33.68%.

For more detail see Summary of Plan Provisions on page 96.

Photo:
Jeff Johnson
Police Officer
University of Utah



A Composite Picture

Total Membership.....2,039
Active1,281
Terminated vested48
Retired710

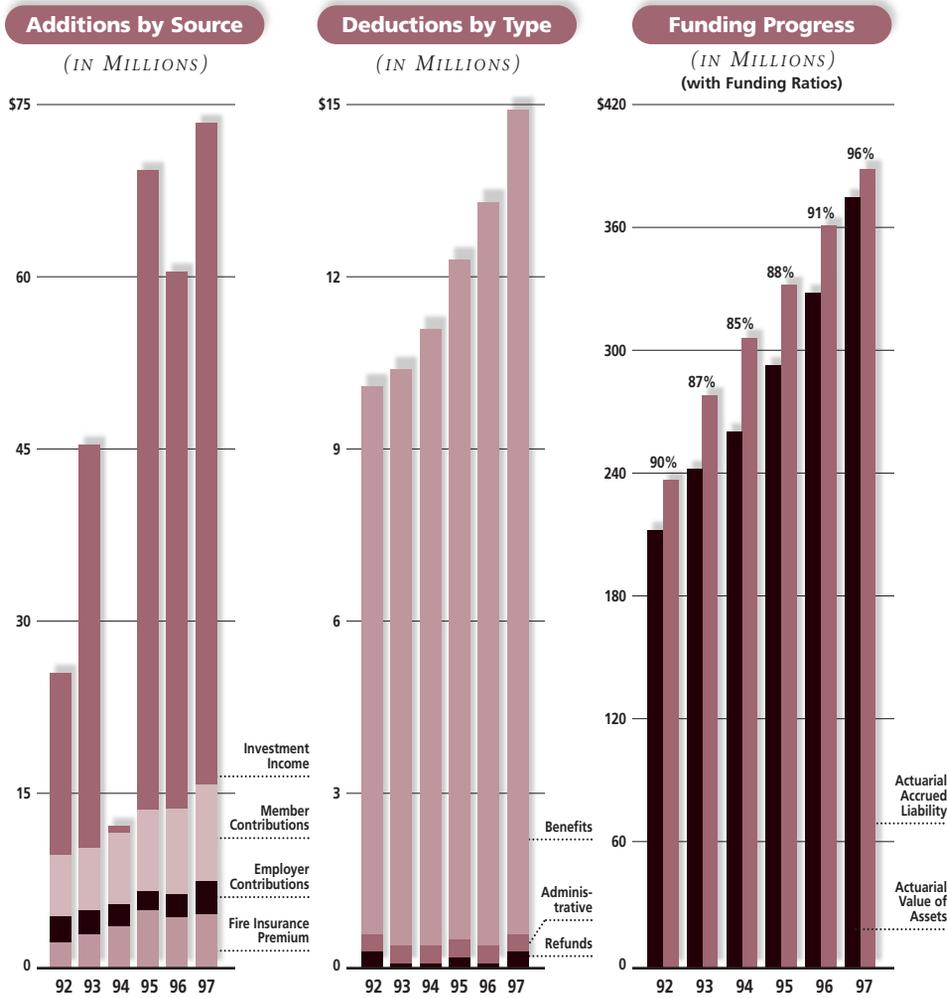
1997 Active Members....1,281
Average age39.9
Average years of service.....11.6
Average annual
salary.....\$39,695

1997 Retirees
Number43
Average age51.7
Average years of service.....25.6
Final average
annual salary.....\$47,331
Average monthly benefit...\$2,417

Average monthly benefit
—all retirees.....\$1,408

Firefighters

Firefighters Retirement System System Highlights



	(IN MILLIONS)					
	1992	1993	1994	1995	1996	1997
Additions by Source						
Investment Income	\$15.9	35.0	0.6	55.6	46.6	57.5
Member Contributions	5.3	5.5	6.2	7.0	7.5	8.4
Employer Contributions	2.3	2.1	2.0	1.7	2.0	2.8
Fire Insurance Premium	2.1	2.8	3.5	4.9	4.3	4.6
Totals	\$25.6	45.4	12.3	69.2	60.4	73.3
Deductions by Type						
Benefit Payments	\$ 9.5	10.0	10.7	11.8	12.9	14.3
Administrative Expense	0.3	0.3	0.3	0.3	0.3	0.3
Refunds	0.3	0.1	0.1	0.2	0.1	0.3
Totals	\$10.1	10.4	11.1	12.3	13.3	14.9
Funding Progress						
Actuarial Value of Assets	\$213.2	243.2	261.5	293.8	329.5	376.2
Actuarial Accrued Liability	237.8	279.1	307.5	333.4	362.4	390.3
Funding Ratios	90%	87%	85%	88%	91%	96%

Membership

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

Service Retirement

Age	Years of Service	Allowance Reduction
Any age20None
6010None
654None

Service Benefit Formula

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

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

**Benefits paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 4.0% annually on original retirement benefit.

Contribution Rates

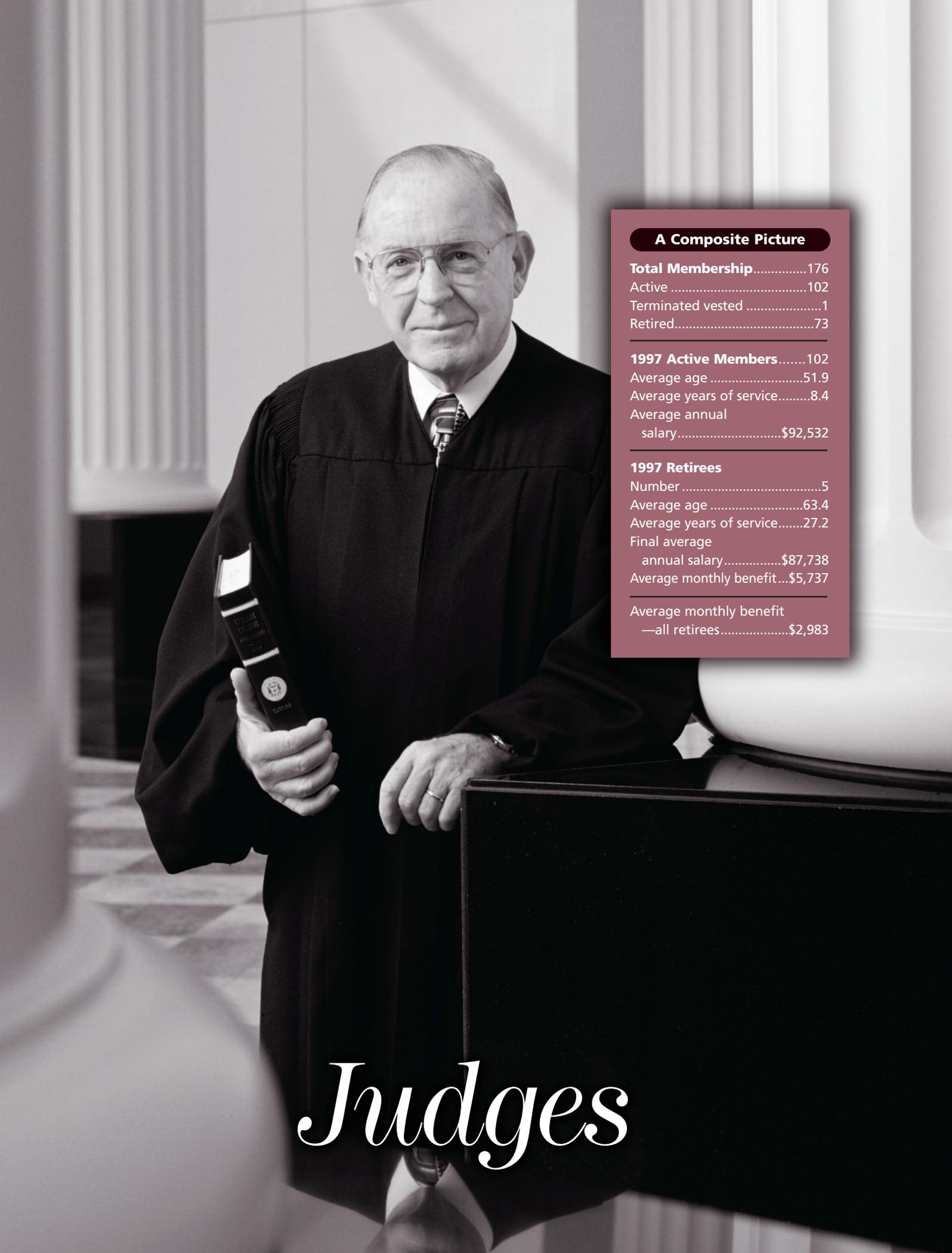
(as of 12-31-97)

Member rate in Division A is 13.31% and Division B 16.71%.

Employer rate in Division A is 0.00% and Division B 6.43%.

For more detail see Summary of Plan Provisions on page 97.

Photo:
George Burnett
Firefighter
Roy City



A Composite Picture

Total Membership.....176
Active102
Terminated vested1
Retired.....73

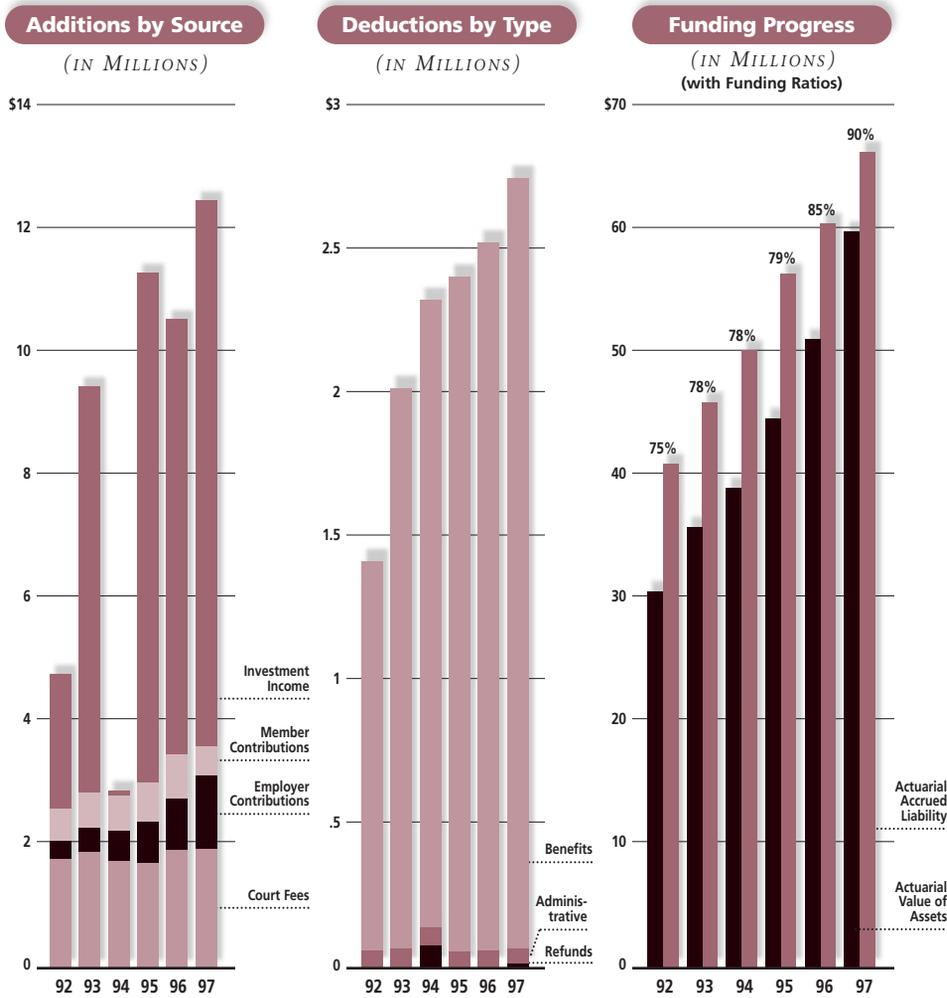
1997 Active Members.....102
Average age51.9
Average years of service.....8.4
Average annual
salary.....\$92,532

1997 Retirees
Number5
Average age63.4
Average years of service.....27.2
Final average
annual salary.....\$87,738
Average monthly benefit...\$5,737

Average monthly benefit
—all retirees.....\$2,983

Judges

Judges Retirement System System Highlights



Additions by Source

	1992	1993	1994	1995	1996	1997
Investment Income	\$2,206	6,664	86	8,333	7,114	8,933
Member Contributions	523	561	572	654	734	482
Employer Contributions	304	405	504	680	833	1,305
Court Fees	1,741	1,855	1,709	1,670	1,898	1,901
Totals	\$4,774	9,485	2,871	11,337	10,579	12,621

Deductions by Type

	1992	1993	1994	1995	1996	1997
Benefit Payments	\$1,359	1,958	2,193	2,355	2,472	2,690
Administrative Expense	56	62	61	53	55	55
Refunds	—	—	73	—	—	8
Totals	\$1,415	2,020	2,327	2,408	2,527	2,753

Funding Progress

	1992	1993	1994	1995	1996	1997
Actuarial Value of Assets	\$30.3	35.5	38.7	44.3	50.7	59.4
Actuarial Accrued Liability	40.6	45.6	49.8	56.0	60.1	65.9
Funding Ratios	75%	78%	78%	79%	85%	90%

Membership

The Judges Retirement System includes justices and judges of the Supreme Court, appellate, district, and juvenile courts.

Service Retirement

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

Service Benefit Formula

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

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

**Benefits paid cannot exceed 75% of FAS.

Cost of Living Allowance

Up to 4.0% compounded annually.

Contribution Rates

(as of 12-31-97)

CONTRIBUTORY

Member rate 8.00%.
Employer rate 12.21%.

NONCONTRIBUTORY

Employer rate 20.21%.

For more detail see Summary of Plan Provisions on page 98.

Photo:
Richard C. Howe
Chief Justice
Utah Supreme Court



A Composite Picture

Total Membership.....386
Active90
Terminated vested86
Retired210

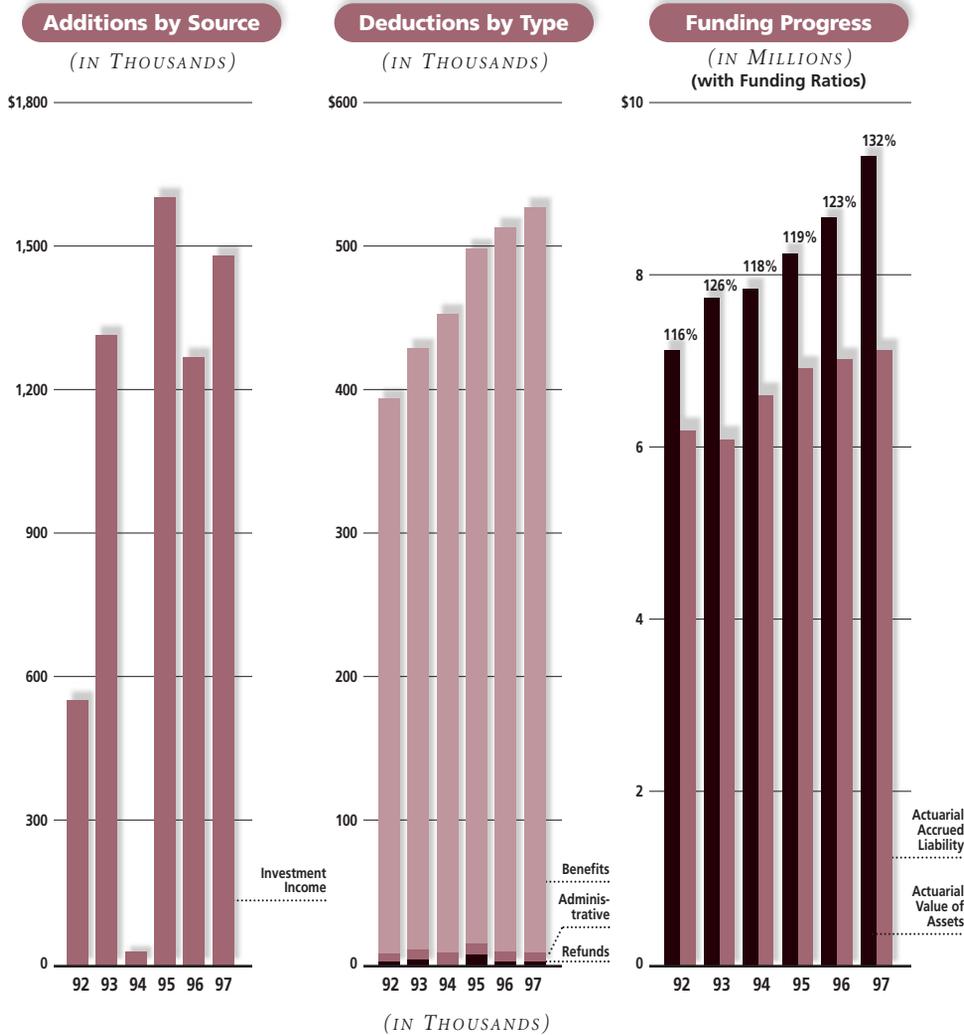
1997 Active Members.....90
Average age49.8
Average years of service.....5.6
Average annual salary.....\$5,419

1997 Retirees
Number12
Average age66.7
Average years of service.....6.3
Final average annual salary.....\$2,874
Average monthly benefit.....\$136

Average monthly benefit
—all retirees.....\$200

*Governors
& Legislative*

Governors and Legislative Pension Plan Plan Highlights



Additions by Source		1992	1993	1994	1995	1996	1997
Investment Income		\$552	1,315	19	1,604	1,270	1,481

Deductions by Type		1992	1993	1994	1995	1996	1997
Benefit Payments		\$387	419	445	485	504	519
Administrative Expense		5	7	7	7	7	6
Refunds		1	2	—	6	1	1
Totals		\$393	428	452	498	512	526

Funding Progress		1992	1993	1994	1995	1996	1997
Actuarial Value of Assets		\$7.1	7.7	7.8	8.2	8.6	9.3
Actuarial Accrued Liability		6.2	6.1	6.6	6.9	7.0	7.1
Funding Ratios		116%	126%	118%	119%	123%	132%

Membership

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

Service Retirement

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

Service Benefit Formula

GOVERNORS

\$500* per month for one term.
\$1,000* per month for two or more terms.

*Increased semi-annually up to 2% based on the CPI. The amount as of 12-31-97 is \$980 for one term and \$1,960 for two or more terms.

LEGISLATORS

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

**Increased semi-annually up to 2% based on the CPI. The amount as of 12-31-97 is \$22.00.

Cost of Living Allowance

Up to 4.0% annually on original retirement benefit.

Contribution Rates

(as of 12-31-97)

There are currently no required contributions.

For more detail see Summary of Plan Provisions on page 99.

*Photo:
Susan Koehn, Representative
District 18, Davis County
Utah House of Representatives*

401(k) and 457 Plans Plan Highlights

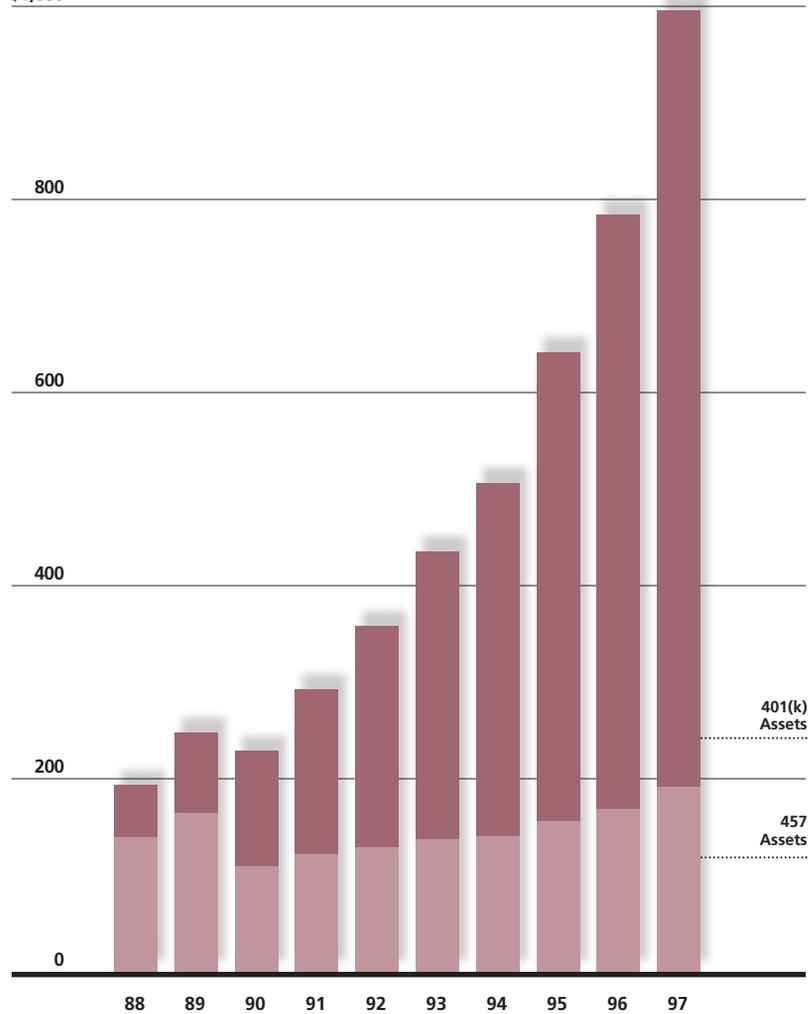
The purpose of the 401(k) and 457 Plans is to allow public employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their pre-tax income in one or both of these supplemental retirement plans. It has long been recognized that in order for employees to experience the comfortable and rewarding retirement they desire, they cannot rely entirely upon Social Security and their employer provided retirement. Employees must take the initiative to personally put aside a portion of their salary into some type of long-term savings plan.

The Plans provide the following benefits:

- ◆ Convenient, automatic payroll deduction
- ◆ Four investment options
- ◆ Anticipated higher returns than a conventional after-tax savings plan
- ◆ Increase or decrease contributions as often as every pay period
- ◆ Change allocation of future contributions as often as every pay period
- ◆ Transfer funds monthly between investment options
- ◆ Increase contributions by as little as one-half of 1%
- ◆ Roll over 401(k) funds into any qualified plan or IRA upon termination or retirement
- ◆ Upon death, funds transfer to beneficiaries
- ◆ Immediate vesting
- ◆ No sales commissions
- ◆ Low investment and administrative fees

Participants also have the option to utilize the predetermined Life-Cycle Strategies. These strategies utilize the investment options available in the Plans by diversifying a participant's investment portfolio among a predetermined portion of each investment option. These strategies were developed for participants who do not feel comfortable

(IN MILLIONS)
\$1,000



401(k) and 457 Net Assets Available

TOTAL 401(k) AND 457 PLANS

(IN MILLIONS)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
401(k) Assets	\$ 54	84	119	172	229	299	366	485	615	803
457 Assets	142	167	112	124	132	140	143	159	172	195
Totals	\$196	251	231	296	361	439	509	644	787	998

choosing between investment options, or who do not want to develop their own asset allocation strategy to diversify among the investment options. The composition of these asset allocation or Life-Cycle Strategies may be altered as additional investment options are added or deleted from the plans.

Each year the number of employees participating in these plans increases. As of December 31, 1997, the number of participant by investment fund were:

Income Fund.....	99,303
Fidelity Puritan Fund.....	67,027
S&P Stock Index Fund.....	72,911
Templeton Fund.....	44,095
Group Annuity Fund.....	28,512
Total 401(k) Plan participants..	104,844
Total 457 Plan participants.....	8,788

Annualized rates of returns for the 401(k) and 457 Plans' Investment Options are shown on page 78.

Utah Retirement Systems
1997 Comprehensive Annual Financial Report



Financial Section

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General Purpose Financial Statements 30

Required Supplementary Information 43

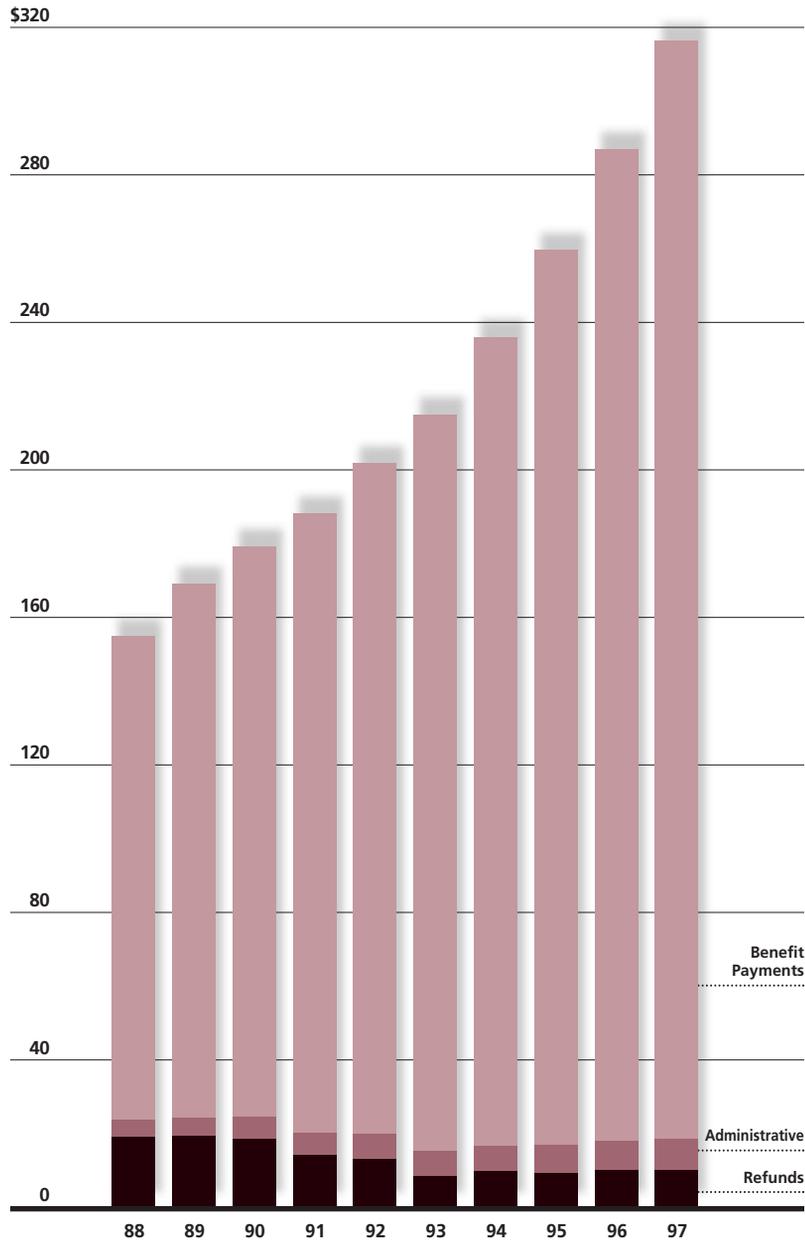
Individual Retirement System Schedules by Division 46

Schedules of Administrative Expenses 65

401(k) Plan 66

457 Plan 68

(IN MILLIONS)



Deductions by Type

A L L R E T I R E M E N T S Y S T E M S

(IN MILLIONS)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Benefit Payments	\$132	145	155	168	182	200	220	243	270	299
Administrative Expense	5	5	6	6	7	7	7	8	8	8
Refunds	19	20	19	15	14	9	10	10	10	11
Totals	\$156	170	180	189	203	216	237	261	288	318

Independent Auditors' Report

**Deloitte &
Touche LLP**



Suite 1800
50 South Main Street
Salt Lake City, Utah 84144-0458

Telephone: (801) 328-4706
Facsimile: (801) 355-7515

INDEPENDENT AUDITORS' REPORT

Utah State Retirement Board:

We have audited the accompanying general purpose financial statements of Utah Retirement Systems administered by the Utah State Retirement Board as of December 31, 1997, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of Utah Retirement Systems. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial status of the defined benefit pension systems and the financial position of the Pension Investment Trust Fund, the 401(k) Plan, and the 457 Plan of Utah Retirement Systems administered by the Utah State Retirement Board as of December 31, 1997, and changes in the financial status of the defined benefit pension systems, and the results of operations of the Pension Investment Fund, the 401(k) Plan, and the 457 Plan for the year then ended in conformity with generally accepted accounting principles.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 1998, on our consideration of Utah Retirement Systems' internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

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

Deloitte & Touche LLP

February 27, 1998

**Deloitte Touche
Tohmatsu
International**

General Purpose Financial Statements**Statements of Plan Net Assets—Defined Benefit Pension Systems
and Balance Sheets—Other Pension Trust Funds**

December 31, 1997

With Comparative Totals for December 31, 1996

(IN THOUSANDS)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System
Assets:				
Cash (note 3)	\$ 2	36	14	2
Receivables:				
Member contributions	437	—	196	364
Employer contributions	623	18,114	1,664	113
Court fees and fire insurance premium tax	—	—	—	1,766
Investments	—	—	—	—
Total receivables	1,060	18,114	1,860	2,243
Investments at fair value (note 3):				
Short-term securities, domestic	—	—	—	—
Short-term securities, international	—	—	—	—
Bonds, domestic	—	—	—	—
Bonds, international	—	—	—	—
Equity investments, domestic	—	—	—	—
Equity investments, international	—	—	—	—
Venture capital	—	—	—	—
Real estate	—	—	—	—
Mortgage loans	—	—	—	—
Investment contracts	—	—	—	—
Total investments	—	—	—	—
Equity in Investment Fund	942,432	7,694,248	968,983	418,939
Invested securities lending collateral (note 3)	—	—	—	—
Property and equipment at cost, net of accumulated depreciation (note 4)	—	—	—	—
Total assets	943,494	7,712,398	970,857	421,184
Liabilities and fund balance:				
Liabilities:				
Securities lending liability (note 3)	—	—	—	—
Disbursements in excess of cash balance (note 3)	—	—	—	—
Due to other funds and entities (note 8)	—	34	—	—
Investment accounts payable (note 3)	—	—	—	—
Total liabilities	—	34	—	—
Fund balance:				
Employee deferred compensation	—	—	—	—
Administrative reserve (note 14)	—	—	—	—
Termination and post employment benefits reserve (note 11)	—	—	—	—
Experience and insurance reserve (note 13)	—	—	—	—
Total fund balance	—	—	—	—
Liabilities and fund balance	—	34	—	—
Net assets held in trust for pension benefits (see supplemental schedules of funding progress, page 43)	\$943,494	7,712,364	970,857	421,184

See accompanying notes to general purpose financial statements.

Judges System	Governors and Legislative Pension Plan	Total Defined Benefit Pension Systems	Pension Investment Trust Fund	401(k) Plan	457 Plan	Total (Memorandum Only)	
						1997	1996 (as restated note 2)
1	1	56	\$ —	4,662	876	5,594	46
1	—	998	—	—	—	998	1,803
72	—	20,586	—	—	—	20,586	19,426
334	—	2,100	—	—	—	2,100	580
—	—	—	79,592	1,955	193	81,740	41,968
407	—	23,684	79,592	1,955	193	105,424	63,777
—	—	—	110,554	876	302	111,732	272,279
—	—	—	63,868	—	—	63,868	—
—	—	—	2,114,946	—	—	2,114,946	1,936,411
—	—	—	291,495	—	—	291,495	288,493
—	—	—	4,289,391	503,993	109,595	4,902,979	3,879,900
—	—	—	1,719,452	—	—	1,719,452	1,557,787
—	—	—	493,988	—	—	493,988	344,185
—	—	—	1,056,026	—	—	1,056,026	805,463
—	—	—	3,969	—	—	3,969	4,016
—	—	—	—	293,520	83,823	377,343	368,224
—	—	—	10,143,689	798,389	193,720	11,135,798	9,456,758
65,891	10,530	10,101,023	(10,101,023)	—	—	—	—
—	—	—	1,223,260	—	—	1,223,260	1,255,149
—	—	—	2,373	—	—	2,373	2,584
66,299	10,531	10,124,763	\$ 1,347,891	805,006	194,789	12,472,449	10,778,314
—	—	—	\$ 1,223,260	—	—	1,223,260	1,255,149
—	—	—	15,761	745	100	16,606	7,964
—	—	34	44,948	—	—	44,982	7,581
—	—	—	23,871	1,270	147	25,288	4,268
—	—	34	1,307,840	2,015	247	1,310,136	1,274,962
—	—	—	—	802,129	193,778	995,907	786,239
—	—	—	—	862	764	1,626	606
—	—	—	1,209	—	—	1,209	1,015
—	—	—	38,842	—	—	38,842	33,497
—	—	—	40,051	802,991	194,542	1,037,584	821,357
—	—	34	\$ 1,347,891	805,006	194,789	2,347,720	2,096,319
66,299	10,531	10,124,729				10,124,729	8,681,995

General Purpose Financial Statements**Statements of Changes in Plan Net Assets—Defined Benefit Pension Systems and Statements of Operations and Changes in Fund Balance—Other Pension Trust Funds**

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996

(IN THOUSANDS)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System
Additions:				
Contributions (note 6):				
Member contributions	\$ 8,537	7,301	4,345	8,358
Employer contributions	10,651	294,937	34,217	2,836
Court fees and fire insurance premium tax	—	—	—	4,552
Total contributions	19,188	302,238	38,562	15,746
Investment income (note 3):				
Net appreciation in fair value of investments	—	—	—	—
Short-term interest, domestic	—	—	—	—
Short-term interest, international	—	—	—	—
Bonds interest, domestic	—	—	—	—
Bonds interest, international	—	—	—	—
Equity dividends, domestic	—	—	—	—
Equity dividends, international	—	—	—	—
Venture capital	—	—	—	—
Real estate net income	—	—	—	—
Mortgage loans	—	—	—	—
Investment contracts	—	—	—	—
Securities lending	—	—	—	—
Total investment income	—	—	—	—
Less investment advisor fees	—	—	—	—
Less investment administrative expenses	—	—	—	—
Net investment income	—	—	—	—
Transfer of appreciation in fair value of investments	104,169	818,013	103,548	44,971
Transfer of investment earnings (note 3)	29,117	229,194	28,942	12,570
Total transfer of investment income	133,286	1,047,207	132,490	57,541
Total additions	152,474	1,349,445	171,052	73,287
Deductions:				
Retirement benefits	39,784	159,169	25,741	10,836
Cost of living benefits	20,085	27,093	4,347	2,510
Additional retirement benefits	4,015	—	884	975
Refunds	4,735	4,995	611	298
Earnings distribution	—	—	—	—
Administrative expenses	794	6,323	792	331
Total deductions	69,413	197,580	32,375	14,950
Increase from operations	83,061	1,151,865	138,677	58,337
Transfers between systems and affiliated funds	(51,957)	50,029	918	292
Net increase	31,104	1,201,894	139,595	58,629
Net assets held in trust for pension benefits/fund balance beginning of year	912,390	6,510,470	831,262	362,555
Net assets held in trust for pension benefits/fund balance end of year	\$943,494	7,712,364	970,857	421,184

See accompanying notes to general purpose financial statements.

Judges System	Governors and Legislative Pension Plan	Total Defined Benefit Pension Systems	Pension Investment Trust Fund	401(k) Plan	457 Plan	Total (Memorandum Only)	
						1997	1996 (as restated note 2)
482	—	29,023	—	98,509	7,002	134,534	119,971
1,305	—	343,946	—	—	—	343,946	302,395
1,901	—	6,453	—	—	—	6,453	6,231
3,688	—	379,422	—	98,509	7,002	484,933	428,597
—	—	—	1,083,288	77,963	19,067	1,180,318	889,043
—	—	—	20,860	145	(21)	20,984	17,887
—	—	—	4,484	—	—	4,484	—
—	—	—	131,403	—	—	131,403	127,166
—	—	—	14,993	—	—	14,993	17,418
—	—	—	57,287	22,914	4,549	84,750	79,400
—	—	—	19,784	—	—	19,784	15,410
—	—	—	1,970	—	—	1,970	3,110
—	—	—	66,088	—	—	66,088	58,269
—	—	—	378	—	—	378	678
—	—	—	—	17,624	4,960	22,584	20,295
—	—	—	2,703	—	—	2,703	2,084
—	—	—	1,403,238	118,646	28,555	1,550,439	1,230,760
—	—	—	13,253	412	61	13,726	12,153
—	—	—	1,926	—	—	1,926	2,589
—	—	—	1,388,059	118,234	28,494	1,534,787	1,216,018
6,982	1,157	1,078,840	(1,078,840)	—	—	—	—
1,951	324	302,098	(302,098)	—	—	—	—
8,933	1,481	1,380,938	(1,380,938)	—	—	—	—
12,621	1,481	1,760,360	7,121	216,743	35,496	2,019,720	1,644,615
2,216	399	238,145	—	—	—	238,145	214,518
474	120	54,629	—	—	—	54,629	48,697
—	—	5,874	—	—	—	5,874	6,402
8	1	10,648	—	27,678	12,101	50,427	42,449
—	—	—	1,582	—	—	1,582	8,946
55	6	8,301	—	1,446	355	10,102	9,049
2,753	526	317,597	1,582	29,124	12,456	360,759	330,061
9,868	955	1,442,763	5,539	187,619	23,040	1,658,961	1,314,554
674	15	(29)	—	29	—	—	—
10,542	970	1,442,734	5,539	187,648	23,040	1,658,961	1,314,554
55,757	9,561	8,681,995	34,512	615,343	171,502	9,503,352	8,188,798
66,299	10,531	10,124,729	40,051	802,991	194,542	11,162,313	9,503,352

General Purpose Financial Statements

Notes to General Purpose Financial Statements

December 31, 1997

(1) Description of Systems

A brief description of the Utah Retirement Systems (Systems) and 401(k) and 457 Plans (Plans) follows. For a more complete description of plan provisions, membership and benefit statistics, see the Systems Summaries of Plan Provisions (pages 94-101) and the Actuarial Section in this report.

(A) GENERAL INFORMATION AND REPORTING ENTITY

General—The Utah Retirement Systems are comprised of the following defined benefit plans:

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

cost-sharing, multiple-employer retirement system;

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

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

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

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

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State legislature. The Utah State Retirement Office Act in Chapter 49 provides for the administra-

tion of the Systems and Plans under the direction of the Board, whose members are appointed by the Governor. The Plans are established under the authority of the same sections of the Utah Code Annotated 1953, as amended, as well as under Sections 401(k) and 457 of the Internal Revenue Code. The Plans may be amended by the Board within the parameters of Sections 401(k) and 457 of the Internal Revenue Code. These Systems and Plans are presented as trust funds in the general purpose financial statements.

(B) RETIREMENT AND DEATH BENEFITS

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

SUMMARY OF BENEFITS BY SYSTEM

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System
Highest average salary	Highest 5 years	Highest 3 years	Highest 3 years		Highest 2 years
Years of service required and/or age eligible for benefit	30 years any age 20 years age 60 10 years age 62 4 years age 65	30 years any age 25 years any age* 20 years age 60 10 years age 62 4 years age 65	20 years any age 10 years age 60 4 years age 65		25 years any age 20 years age 55* 10 years age 62 6 years age 70
Benefit percent per year of service**	1.10% per year to June 1967 1.25% per year July 1967 to June 1975 2.00% per year July 1975 to present	2.0% per year all years	2.5% per year up to 20 years 2.0% per year over 20 years		5.00% first 10 years 2.25% second 10 years 1.00% over 20 years

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

* With full actuarial reductions

**For all members and retirees in the systems effective December 31, 1989 or before, an additional 3% benefit applies to compensate for removal of the State income tax exclusion for retirees of the Utah Retirement Systems.

General Purpose Financial Statements

Notes to General Purpose Financial Statements (Continued)

December 31, 1997

The Governors and Legislative Pension Plan provides the following benefits. Former governors at age 65 receive \$980 per month per term limited to two terms. Legislators receive a benefit actuarially reduced at age 62 with ten or more years of service or an unreduced benefit at age 65 with four or more years of service at the rate of \$22.00 per month per year of service. Both the governors' and legislators' benefits are adjusted based on the CPI limited to 4% of the base benefit per year.

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

(C) 401(k) AND 457 DEFINED CONTRIBUTION PLANS

The 401(k) Plan and 457 Plan administered by the Board are defined contribution plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems for employees of employers who have adopted the 401(k) and 457 Plans. Voluntary contributions may be made into the Plans subject to plan and Internal Revenue Code limitations by employees of employers sponsoring the Plans. Employer contributions may be made into the Plans at rates determined by the employers. There are 285 employers participating in the 401(k) Plan and 153 employers participating in the 457 Plan. There are 104,844 employees and retirees of those employers who are members of the 401(k) Plan and 8,788 who are members of the 457 Plan.

After termination of employment, benefits are paid out to individuals in lump-sum, or as periodic benefit pay-

ments, at the option of the participant based on individual account balances. The 401(k) and 457 Deferred Compensation Plans account balances are fully vested to the participants at the time of deposit.

Investments in the 401(k) and 457 Plans are individually directed and controlled by plan participants who direct the investment of their funds among several investment options of varying degrees of risk and earnings potential. Participants may transfer their funds between these options no more than once a month. Investments of the Plans are reported at fair value. Short-term investments are reported at cost, which approximates fair value. No single investment of either of the plans constitutes 5% or more of their total plan assets.

More detailed explanations are provided in the Summary of Plan Provisions on pages 100 through 101.

(D) CONTRIBUTIONS

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salaries and wages as authorized by statute and specified by the Board. Employee contributions may be paid in part or in whole by the employer. Contributions in some Systems are also augmented by fees or insurance premium taxes. Contribution rates are listed in note 6. In the defined contribution plans, voluntary deferral of compensation within the limits of Plan provisions may be made by employees. In addition to employee voluntary deferrals, employer contributions may be made into the Plans in behalf of employees. The recognition of deferred compensation, employer contributions and earnings on the accounts are deferred for income tax purposes until actually paid to the participant or beneficiary.

Employee (member) contributions are placed into member accounts, and

in systems where it is authorized, interest is credited to member accounts.

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

(E) COVERED EMPLOYEES OF DEFINED BENEFIT PLANS

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

The **Public Employees Noncontributory Retirement System (Noncontributory System)** was established on July 1, 1986. All eligible employees of the State and school entities hired subsequent to that date are automatically members of the Noncontributory System. Local governmental entities had the option of adopting the new System or remaining with the Contributory System. All Contributory System members whose employers adopted the Noncontributory System were given the opportunity to transfer to the new System during limited window periods. All eligible new hires subsequent to

General Purpose Financial Statements**Notes to General Purpose Financial Statements** (Continued)

December 31, 1997

adoption of the noncontributory plans are automatically members of that plan.

The **Public Safety Retirement System** includes eligible state and local governmental employees directly involved in law enforcement (e.g., game wardens, prison guards, police officers and highway patrol officers). The Public Safety System consists of both contributory and noncontributory

divisions. The noncontributory divisions were authorized by the Legislature effective July 1, 1989.

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

The **Judges Retirement System** includes eligible state and local, appointed or elected judges.

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

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

At December 31, 1997 participating members by System are included in the following table.

PARTICIPATING MEMBERS BY SYSTEM

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative Pension Plan
Number of participating:						
Employers	209	344	116	33	1	1
Members:						
Active	4,522	75,599	6,041	1,281	102	90
Terminated vested	1,464	11,957	634	48	1	86
Retirees and beneficiaries:						
Service benefits	9,513	13,223	1,877	646	73	210
Disability benefits	240	—	55	64	—	—

(2) Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Systems and Plans:

(A) METHOD OF ACCOUNTING

The Systems maintain records and accounts, and prepare financial statements using fund accounting principles and the accrual basis of accounting, under which expenses are recorded when the liability is incurred and revenues are recorded in the accounting period in which they are earned and become measurable. Defined contribution plan revenue is recorded when received.

Utah Retirement Systems adhere to Statement No. 25 of the Governmental Accounting Standards Board (GASB No. 25), *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

Investments are presented at fair value. The actuarial accrued liability under the entry age actuarial funding method is presented in the Required Supplementary Information on page 43.

Total (Memorandum only) columns on the accompanying financial statements captioned "Total (Memorandum only)" do not present consolidated financial information and are not necessary for a fair presentation of the financial statements, but are presented only to facilitate financial analysis.

(B) INVESTMENTS

All of the investment assets of the various Systems are pooled and invested in the common Pension Investment Trust Fund (Investment Fund). Each of the Systems have equity in the Investment Fund based on funds contributed and earnings allocated. Earnings of the Investment Fund are allocated based on the average month-end balances of each

of the respective Systems. Individual investments in the Investment Fund are not specifically identified to the various Systems (see note 3). For financial statement presentation, the Pension Investment Trust Fund is included in the general purpose financial statements.

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

Mortgages have been valued on an amortized cost basis which approximates market or fair value. The fair value of real estate investments has been estimated based on independent appraisals. Short-term investments

General Purpose Financial Statements

Notes to General Purpose Financial Statements (Continued)

December 31, 1997

are reported at market value, when published market prices and quotations are available, or at cost plus accrued interest, which approximates market or fair value. For investments where no readily ascertainable market value exists, management, in consultation with their investment advisors, have determined the fair values for the individual investments.

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

(C) CHANGES IN ACCOUNTING PRINCIPLE

The Plans adopted the Governmental Accounting Standards Board Statement No. 32 (GASB No. 32) *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* for the year ending December 31, 1997. This resulted in reporting the 457 Plan as a "Trust Fund" rather than an "Agency Fund" in the financial statements. All of the assets and income of the Plan are now held in trust for the exclusive benefit of the participants or their beneficiaries. The 1996 financial "Memorandum Only" column has been restated to reflect this change.

The effects of the change for 1996 in the Balance Sheet are to decrease the liability for employee deferred compensation by \$170,832,000, decrease due to

other funds and entities by \$670,000, increase fund balance employee deferred compensation by \$170,832,000 and increase the administrative reserve by \$670,000. In the 1996 Statement of Operations and Changes in Fund Balance the changes increase member contributions by \$5,982,000, increase net investment income by \$18,666,000, increase deductions by \$10,539,000, increase plan net assets at the beginning of the year by \$157,393,000 and increase net assets at the end of the year by \$171,502,000.

(D) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost (see note 4) and are included in the assets of the Investment Fund. The following schedule summarizes the depreciation method and the estimated useful life by class.

METHOD OF DEPRECIATION

	Method of Depreciation	Estimated Useful Life
Building	Straight-line	40 years
Building improvements	Straight-line	10 years
Furniture and equipment	Straight-line	4-10 years

(E) ADMINISTRATIVE EXPENSES

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

(3) Deposits and Investments

Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Systems are considered to have been made in accordance with these governing statutes.

(A) DEPOSITS

All deposits of the Systems are carried at cost plus accrued interest which approximates fair value. At December 31, 1997 the carrying amount of deposits totaled approximately \$(11,012,000) and the corresponding bank balance was \$1,333,000. The deposits are held in one financial institution with an insured balance of \$100,000. The deposits in the bank in excess of \$100,000 are Category 3 which is uncollateralized. Deposits are not

collateralized nor are they required to be by state statute. Deposits are presented in the general purpose financial statements at cost plus accrued interest which is also the market or fair value.

CASH DEPOSITS

	(IN THOUSANDS)
Cash	\$ 5,594
Disbursements in excess of cash balances	(16,606)
Total	\$(11,012)

General Purpose Financial Statements**Notes to General Purpose Financial Statements** (Continued)

December 31, 1997

(B) INVESTMENTS

The following table provides information about the custodial credit risks associated with the Systems' investments. Category 1 includes investments that are insured or registered, or for which the securities are held by the Systems or its agent in the Systems' name. Category 2 includes uninsured

and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Systems' name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Systems' name.

(C) SECURITIES LENDING

The Systems' Investment Fund (Fund) participates in a security lending program as authorized by Board policy, whereby securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities and irrevocable bank letter of credits equal to 102% of the market value of the domestic securities on loan and 105% of the market value of the international securities on loan, with a simultaneous agreement to return the collateral for the same securities in the future. The Fund's custodial agent is the agent for its securities lending program. Securities under loan are maintained in the Fund's financial records and are classified in the preceding summary of custodial risk. A corresponding liability is recorded for the market value of the collateral received.

At year end the Investment Fund had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year end were \$1,185,946,000 and the collateral received for those securities on loan was \$1,223,260,000. Under the terms of the lending agreement, the Fund is indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency or failure of the lending agent to properly evaluate the creditworthiness of the borrower. In addition, the Fund is indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis.

All securities loaned can be terminated on demand by either the Fund or the borrower. Cash collateral is invested in the lending agent's short-term investment pool. The short-term investment pool guidelines specify that a minimum of 20% of the invested cash collateral is to be available each business day and the dollar weighted average maturity of

INVESTMENTS BY CATEGORY OF CUSTODIAL RISK

(IN THOUSANDS)

	Category			Fair Value
	1	2	3	
Bonds, domestic	\$1,606,492	—	—	1,606,492
Equity securities, international	466,309	—	—	466,309
Equity securities, domestic	3,408,258	—	—	3,408,258
	\$5,481,059	—	—	5,481,059
Investments not categorized:				
Short-term securities pools				175,601
Mortgage loans:				
Collateralized loans				361
Real estate notes				3,608
Real estate				123,807
Real estate joint ventures				424,102
Title holding companies				508,117
Venture capital				493,988
Bonds, international				202,447
Equity securities, international				1,111,675
Equity securities, domestic				771,593
Life insurance investment contracts				95,756
Guaranteed investment contracts				66,317
Stable value portfolio				185,426
Pooled investment contracts				29,844
International mutual fund				50,978
Balanced mutual fund				225,173
Investments held by broker-dealers under securities lending program:				
U.S. Government and agency securities				423,387
Corporate bonds, domestic				85,068
Equities, domestic				446,975
Bonds, international				89,048
Equities, international				141,468
Total investments				11,135,798
Securities lending collateral pool				1,223,260
Total				\$12,359,058

General Purpose Financial Statements**Notes to General Purpose Financial Statements** (Continued)

December 31, 1997

holdings should not exceed 60 days. The relationship between the maturities of the short-term investment pool and the Fund's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool,

which the system cannot determine. Since the securities lending collateral is in a pool maintained by the custodial bank, it was not necessary to report the total income and expenses of securities lending.

(D) INVESTMENT INCOME

Net appreciation (depreciation) in fair value of investments includes realized gains and losses. Investment income for 1997 and 1996 is summarized in the following table:

INVESTMENT INCOME

Investment	(IN THOUSANDS)					
	Realized Gain (Loss) on Sale of Investments	Appreciation (Depreciation) in Fair Value of Investments	Total Net Appreciation (Depreciation) in Fair Value of Investments	Interest Dividend and Rental Income	1997	1996
Short-term securities, domestic	\$ —	—	—	20,984	20,984	17,887
Short-term securities, international	(9,947)	33	(9,914)	4,484	(5,430)	—
Bonds, domestic	1,221	43,585	44,806	131,403	176,209	66,201
Bonds, international	(4,612)	2,469	(2,143)	14,993	12,850	14,785
Equity investments, domestic	427,593	612,811	1,040,404	84,750	1,125,154	773,939
Equity investments, international	162,363	(168,712)	(6,349)	19,784	13,435	167,631
Venture capital	32,332	17,103	49,435	1,970	51,405	80,312
Real estate	(28,854)	90,555	61,701	66,088	127,789	88,071
Mortgage loans	—	155	155	378	533	(445)
Investment contracts	—	2,223	2,223	22,584	24,807	20,295
Securities lending	—	—	—	2,703	2,703	2,084
	\$580,096	600,222	1,180,318	370,121	1,550,439	1,230,760
Less:						
Investment advisor fees					13,726	12,153
Investment administrative expenses					1,926	2,589
Net investment earnings					\$1,534,787	1,216,018

SYSTEMS' EQUITY IN THE INVESTMENT FUND

System	(IN THOUSANDS)			
	Balance December 31, 1996 at Fair Value	Net Earnings Allocated at Fair Value	Net Cash Transfers To/From Investment Fund at Fair Value	Balance December 31, 1997 at Fair Value
Contributory	\$ 911,373	133,286	(102,227)	942,432
Noncontributory	6,492,924	1,047,207	154,117	7,694,248
Public Safety	829,871	132,490	6,622	968,983
Firefighters	361,897	57,541	(499)	418,939
Judges	55,457	8,933	1,501	65,891
Governors and Legislative	9,560	1,481	(511)	10,530
Totals	\$8,661,082	1,380,938	59,003	10,101,023

Systems' equity in the Investment Fund consists of cash contributed by each of the participating Systems, plus net investment income. The Investment Fund rate of return for 1997 was 15.75% and 15.11% for 1996. The Systems' equity is summarized in the table to the left.

(E) INVESTMENT PAYABLES

The investment accounts payable are comprised of investment advisor fees payable of \$4,491,000, investment purchases payable of \$18,963,000 and real estate liabilities of \$1,834,000. The Investment Fund amounts due to other funds are comprised of \$44,948,000 due to the Public Employees Health Program.

General Purpose Financial Statements**Notes to General Purpose Financial Statements** (Continued)

December 31, 1997

(4) Property and Equipment

Property and equipment consists of the amounts shown in the following table as of December 31, 1997 and 1996. There were no significant leases as of December 31, 1997 or 1996.

PROPERTY AND EQUIPMENT	<i>(IN THOUSANDS)</i>	
	1997	1996
Land	\$1,000	1,000
Building and building improvements	3,864	3,692
Furniture and equipment	4,101	3,506
Total property and equipment	8,965	8,198
Less accumulated depreciation	4,142	3,400
Less operating reserves	2,450	2,214
Net property and equipment	\$2,373	2,584

(5) Funding Status and Progress**(A) ACTUARIAL ASSET VALUATION**

The actuarial value of assets is used in determining the funding progress of the retirement systems. The actuarial value of assets is based on a smoothed expected investment income rate. Investment income in excess or shortfall of the expected 8% rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. This smoothed actuarial value of assets utilized by the actuary in determining the actuarial funding status of the retirement systems is also used in establishing the contribution rates necessary to accumulate needed assets to pay benefits when due.

The following calculation was utilized in determining the actuarial value of assets as of January 1, 1997, and the next table shows the smoothed actuarial value of assets for each System.

(B) ACTUARIAL ACCRUED LIABILITY

The actuarial accrued liability for the Systems is presented in the Required Supplementary Information Schedule of Funding Progress on page 43 of this report.

CALCULATION OF ACTUARIAL VALUE OF ASSETS

January 1, 1997

(DOLLARS IN THOUSANDS)

1. Fair value of assets		\$8,681,995
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:		
	Year	Total (Excess)/ Shortfall
		Percent Deferred
		Amount Deferred
a.	1996	\$(506,151)
b.	1995	(829,598)
c.	1994	475,053
d.	1993	(413,037)
e.	Total	(795,267)
3. Actuarial value of assets available for benefits (1-2e)		\$7,886,728

ACTUARIAL VALUE OF ASSETS BY SYSTEM

January 1, 1997

(IN THOUSANDS)

	Contributory System	Noncontributory System	Public Safety System	Fire-fighters System	Judges System	Governors and Legislative	Total All Systems
1. Net assets available for benefits at fair value	\$859,303	6,563,557	831,262	362,555	55,757	9,561	8,681,995
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income on fair value	(86,326)	(593,744)	(76,156)	(33,080)	(5,036)	(925)	(795,267)
3. Actuarial value of assets available for benefits (1-2)	\$772,977	5,969,813	755,106	329,475	50,721	8,636	7,886,728

General Purpose Financial Statements

Notes to General Purpose Financial Statements (Continued)

December 31, 1997

(C) ACTUARIAL COST METHOD AND ASSUMPTIONS

The Board engages an independent firm of actuaries to estimate the present value of actuarial accrued liability for the purpose of determining required reserves for active and terminated members, retired individuals and beneficiaries, and for the determination of

contribution rates (note 6).

Actuarial accrued liabilities are future periodic payments including lump-sum distributions that are attributable to the service employees have rendered to date and the plan provisions of the various systems. The present value of actuarial accrued liabilities

are calculated based on the entry age actuarial cost method with benefits based on projected salary increases.

A schedule of the actuarial assumptions used in the actuarial report dated January 1, 1997 is presented in the Notes to the Required Supplementary Schedules on page 45.

(6) Actuarially Determined Contribution Requirements and Contributions Made

Employer contribution rates consist of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the members during the current service year) and (2) an amount for amortization of the unfunded actuarial accrued liability over a period representing the remainder of the original 30 year amortization period. These rates are determined using the entry age actuarial cost method with a supplemental present value, and the same actuarial assumptions that were used to calculate the actuarial accrued liability in the Schedules of Funding Progress on page 43.

The schedule to the right summarizes contribution rates in effect as of December 31, 1997.

Contributions made by employers and members were in accordance with actuarially computed funding require-

CONTRIBUTION RATES

System	Contribution Rates as a Percent of Covered Payroll		
	Member	Employer	Other
Contributory	6.00%	6.50 - 9.67%	—
Noncontributory	—	10.51 -14.16	—
Public Safety:			
Contributory	10.50-13.74	5.62 -21.82	—
Noncontributory	—	17.09 -33.68	—
Firefighters:			
Division A	13.31	0.00	8.19%
Division B	16.71	6.43	8.19
Judges	—	20.21	24.11
Governors and Legislative	—	—	—

ments. Fire insurance premium taxes and court fees are considered as part of employer contributions in the schedule above for the Firefighters and Judges Systems, respectively. For contribution rate purposes the actuary evaluates the assets of the Systems based on a 5-year smoothed expected return wherein 20% of a year's excess or shortfall of expected return is recognized each

year for 5 years.

The actuary recommended some increases and some decreases in contribution rates which became effective July 1, 1997.

Information with regard to contributions to the Retirement Systems for the year ended December 31, 1997 is indicated in the schedule below.

REQUIRED CONTRIBUTIONS

(DOLLARS IN THOUSANDS)

System	Contribution Requirements				Contributions Made							
	Normal Cost		Unfunded Cost		Total Required Contributions	Total Actual Contributions	Member		Employer			Covered Payroll
	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll			Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll	Amount	
Contributory	\$ 13,703	9.91%	\$ 5,485	3.97%	\$ 19,188	\$ 19,188	\$ 8,537	6.18%	\$ 10,651	7.71%	\$ 138,231	
Noncontributory	261,125	11.86	41,113	1.87	302,238	302,238	7,301	0.33	294,937	13.40	2,200,988	
Public Safety	31,843	16.29	6,719	3.44	38,562	38,562	4,345	2.22	34,217	17.51	195,464	
Firefighters	8,657	16.88	2,537	4.95	11,194	11,194	8,358	16.30	2,836	5.53	51,287	
Judges	1,102	11.87	685	7.38	1,787	1,787	482	5.19	1,305	14.05	9,286	
Governors and Legislative	—	0.00	—	0.00	—	—	—	0.00	—	0.00	468	
Total	\$316,430		\$56,539		\$372,969	\$372,969	\$29,023		\$343,946		\$2,595,724	

General Purpose Financial Statements

Notes to General Purpose Financial Statements (Continued)

December 31, 1997

Member contributions in the 401(k) and 457 Plans total \$105,511,000, which in combination with the member contributions made in the Retirement Systems, total \$134,534,000.

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

(7) Supplemental Benefits and Tax Liability Offset

In the past, the Utah State Legislature appropriated funds as supplemental retirement benefits to be paid to qualified participants who have previously retired under the Contributory System. These benefits, already granted, are now and will continue to be funded through contribution rates unless otherwise provided by the legislature.

The state income tax exemption for benefits paid out of the Systems was removed in 1989. Legislation was passed providing for a 3% retirement benefit allowance increase to offset the increased tax liability of retirees who were members of the Systems prior to 1989. The obligation for payment of this benefit is being funded by the State on a level percentage of State funded salaries over the remainder of the unfunded amortization period. This benefit is included in the actuarial accrued liability of the Noncontributory System and was included in the contribution rates effective July 1, 1994.

(8) Due To Other Funds and Entities

The amounts due to other funds are comprised of \$44,948,000 due to Public Employees Health Program and \$34,000 due to other systems.

(9) Litigation

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

(10) Commitments

At December 31, 1997, the Investment Fund had committed to fund certain venture capital partnerships and real estate projects for an amount of \$1,088,523,866. Funding of \$539,396,004 had been provided by December 31, 1997, leaving an unfunded commitment as of December 31, 1997 of \$549,127,862.

(11) Termination and Post Employment Reserve

This reserve was established to pay out termination and post employment benefits and compensated absences for Utah State Retirement Office employees as explained below. As set forth in section 67-19-14(2) of the Utah Code Annotated, 1953 as amended, upon retirement, all employees will receive up to 5 years health and life insurance, and may be paid for 25% of unused accumulated sick leave at the employee's current rate of pay. Retired employees may use accrued sick leave (after the 25% cashout) for coverage of health insurance benefits at the rate of one month's coverage for each 8 hours of unused sick leave to age 65. This reserve is fully funded. As of December 31, 1997, there were 5 retired individuals on the insurance program. For the year ended December 31, 1997, the System payout was \$18,273 in insurance premiums.

(12) Required Supplementary Information

The historical trend information designed to provide information about the Utah Retirement Systems' progress made in accumulating sufficient assets to pay benefits when due is required supplementary information. Required supplementary information is included immediately following the notes to the financial statements on pages 43 to 45. Other supplementary information presented in succeeding sections of this report is for the benefit of statement users and is not a required part of the general purpose financial statements.

(13) Experience and Insurance Reserve

Most risks of loss to which the Systems, Plans and Investment Fund are exposed other than routine investment losses are covered under commercial insurance policies. Risks for large deductibles and otherwise uninsured losses are retained by the Systems, Plans or Investment Fund. There have been no reductions of insurance coverage from coverages of the previous year in any of the categories of risk. Coverages were increased commensurate with real estate acquisitions. During the past three calendar years, no loss settlements exceeded insurance coverages beyond immaterial deductible amounts. Experience and contingency losses of the Systems or Plans may be paid out of the experience and insurance reserve established by the board from investment earnings as authorized by statute.

(14) Administrative Reserves

These are reserves set aside for the administration of the plans in which they are established. Participation in these plans is optional at the choice of the participants and administrative reserves are maintained to cover investment options administrative costs. The reserves are fully funded.

Required Supplementary Information

Schedules of Funding Progress

		(DOLLARS IN THOUSANDS)					
System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory Retirement System	1/01/89	\$ 897,600	1,202,664	305,064	74.6%	\$ 465,490	65.5%
	1/01/90	954,900	1,235,925	281,025	77.3	449,350	62.5
	1/01/91	837,797	1,060,808	223,011	79.0	414,917	53.7
	1/01/92	822,863	1,016,027	193,164	81.0	305,400	63.2
	1/01/93	835,299	1,054,163	218,864	79.2	286,183	76.5
	1/01/94	911,717	1,099,162	187,445	82.9	293,833	63.8
	1/01/95	964,218	1,176,222	212,004	82.0	287,743	73.7
	1/01/96	852,034	992,374	140,340	85.9	261,685	53.6
	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
	12/31/97	833,244	883,376	50,132	94.3	138,231	36.3
Noncontributory Retirement System	1/01/89	\$1,808,800	2,275,555	466,755	79.5%	\$ 808,029	57.8%
	1/01/90	2,096,939	2,733,130	636,191	76.7	945,917	67.3
	1/01/91	2,594,245	3,227,549	633,304	80.4	1,004,462	63.0
	1/01/92	3,041,640	3,799,605	757,965	80.1	1,277,671	59.3
	1/01/93	3,480,582	4,186,743	706,161	83.1	1,381,842	51.1
	1/01/94	4,039,120	4,624,515	585,395	87.3	1,477,220	39.6
	1/01/95	4,372,190	5,205,873	833,683	84.0	1,642,123	50.8
	1/01/96	5,136,582	6,032,412	895,830	85.1	1,801,948	49.7
	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
	12/31/97	6,898,683	7,532,404	633,721	91.6	2,200,988	28.8
Public Safety Retirement System	1/01/89	\$ 298,315	440,942	142,627	67.7%	\$ 99,984	142.6%
	1/01/90	330,407	437,674	107,267	75.5	101,902	105.3
	1/01/91	381,501	464,633	83,132	82.1	110,363	75.3
	1/01/92	433,651	506,576	72,925	85.6	123,595	59.0
	1/01/93	485,861	557,664	71,803	87.1	120,904	59.4
	1/01/94	555,514	627,358	71,844	88.5	138,954	51.7
	1/01/95	596,892	691,107	94,215	86.4	148,791	63.3
	1/01/96	670,610	771,150	100,540	87.0	159,943	62.9
	1/01/97	755,106	866,504	111,398	87.1	176,979	62.9
	12/31/97	867,181	937,083	69,902	92.5	195,464	35.8
Firefighters Retirement System	1/01/89	\$ 134,500	187,632	53,132	71.7%	\$ 29,136	182.4%
	1/01/90	149,672	191,863	42,191	78.0	29,407	143.5
	1/01/91	171,739	209,397	37,658	82.0	30,912	121.8
	1/01/92	192,866	227,915	35,049	84.6	33,227	105.5
	1/01/93	213,159	237,752	24,593	89.7	36,517	67.3
	1/01/94	243,228	279,084	35,856	87.2	37,879	94.7
	1/01/95	261,523	307,459	45,936	85.1	40,157	114.4
	1/01/96	293,816	333,432	39,616	88.1	43,027	92.1
	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
	12/31/97	376,191	390,256	14,065	96.4	51,287	27.4
Judges Retirement System	1/01/89	\$ 16,400	21,506	5,106	76.3%	\$ 4,762	107.2%
	1/01/90	19,127	25,400	6,273	75.3	5,625	111.5
	1/01/91	22,242	30,388	8,146	73.2	6,450	126.3
	1/01/92	26,167	38,970	12,803	67.1	6,975	183.6
	1/01/93	30,254	40,594	10,340	74.5	6,538	158.2
	1/01/94	35,479	45,631	10,152	77.8	7,013	144.8
	1/01/95	38,726	49,830	11,104	77.7	6,955	159.7
	1/01/96	44,304	55,952	11,648	79.2	7,903	147.4
	1/01/97	50,721	60,055	9,334	84.5	8,981	103.9
	12/31/97	59,375	65,873	6,498	90.1	9,286	70.0
Governors and Legislative Pension Plan	*1/01/90	\$ 6,007	4,724	(1,283)	127.2%	\$ 279	(459.9)%
	1/01/91	6,355	5,157	(1,198)	123.2	288	(416.0)
	1/01/92	6,790	5,717	(1,073)	118.8	238	(450.8)
	1/01/93	7,122	6,150	(972)	115.8	254	(382.7)
	1/01/94	7,683	6,116	(1,567)	125.6	246	(637.0)
	1/01/95	7,804	6,606	(1,198)	118.1	398	(301.0)
	1/01/96	8,185	6,853	(1,332)	119.4	398	(334.7)
	1/01/97	8,636	7,020	(1,616)	123.0	482	(335.3)
	12/31/97	9,319	7,060	(2,259)	132.0	468	(482.7)

*Information prior to 1990 is not available.

Required Supplementary Information

Schedules of Employer Contributions

(DOLLARS IN THOUSANDS)

System	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Retirement System	1988	\$ 31,685	100%
	1989	26,308	100
	1990	20,716	100
	1991	18,558	100
	1992	19,142	100
	1993	17,938	100
	1994	18,719	100
	1995	17,723	100
	1996	10,244	100
	1997	10,651	100
Noncontributory Retirement System	1988	\$ 94,672	100%
	1989	100,914	100
	1990	119,814	100
	1991	157,014	100
	1992	171,505	100
	1993	174,227	100
	1994	194,202	100
	1995	220,955	100
	1996	260,068	100
	1997	294,937	100
Public Safety Retirement System	1988	\$ 7,623	100%
	1989	9,640	100
	1990	15,468	100
	1991	19,479	100
	1992	19,441	100
	1993	16,960	100
	1994	18,895	100
	1995	24,732	100
	1996	29,271	100
	1997	34,217	100
Firefighters Retirement System	1988	\$ 5,507	100%
	1989	5,064	100
	1990	4,902	100
	1991	4,508	100
	1992	4,409	100
	1993	4,960	100
	1994	5,498	100
	1995	6,547	100
	1996	6,335	100
	1997	7,388	100
Judges Retirement System	1988	\$ 647	100%
	1989	1,050	100
	1990	1,159	100
	1991	1,752	100
	1992	2,045	100
	1993	2,260	100
	1994	2,213	100
	1995	2,352	100
	1996	2,731	100
	1997	3,206	100
Governors and Legislative Pension Plan	1988	\$ 2	100%
	1989	0	100
	1990	0	100
	1991	0	100
	1992	0	100
	1993	0	100
	1994	0	100
	1995	0	100
	1996	0	100
	1997	0	100

Required Supplementary Information**Notes to Required Supplementary Schedules**

December 31, 1997

(1) Schedules of Funding Progress

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 1997. The actuarial accrued liability is presented based on the report generated by that study conducted by Watson Wyatt & Company. The actuarial value of assets for that date is based on a smoothed expected investment income rate. Investment income in excess or shortfall of the expected 8% return on fair value is smoothed over a 5-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. The calculations for this smoothing process are disclosed in note 5 of the notes to the general purpose financial statements on page 40.

(2) Schedules of Employer Contributions

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

(3) Actuarial Assumptions

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

	Contributory	Noncontributory	Public Safety	Firefighters	Judges	Governors and Legislative
Valuation date	1/1/97	1/1/97	1/1/97	1/1/97	1/1/97	1/1/97
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Dollar Amount
Remaining amortization period	Open Group 23 Years	Open Group 23 Years	Open Group 23 Years	Open Group 23 Years	Open Group 23 Years	Open Group 23 Years
	Closed Period	Closed Period	Closed Period	Closed Period	Closed Period	Closed Period
Actuarial asset valuation method (All Systems under same method.)	Based on the total fair value income of investments with the excess/shortfall of actual investment income over or under the expected investment return spread over five years. One-fifth of the excess/shortfall is recognized each year for five years.					
Actuarial assumptions:						
Investment rate of return	8%	8%	8%	8%	8%	8%
Projected salary increases	4.25-14.75%	4.25-14.75%	4.25-10.25%	4.25-13.25%	5.50%	None
Inflation rate	4.00%	4.00%	4.00%	4.00%	4.00%	None
Post retirement cost-of-living adjustment	4.00%	4.00%	2.50%	4.00%	4.00%	4.00%

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

Financial Section (Continued)*Supporting Schedules***Contributory Retirement System****Schedules of Plan Net Assets by Division**

December 31, 1997

With Comparative Totals for December 31, 1996

C

(IN THOUSANDS)

	Local Governmental	State and School	Total All Divisions	
			1997	1996
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	150	287	437	413
Employer contributions	160	463	623	602
Total receivables	310	750	1,060	1,015
Investments at fair value:				
Equity in Investment Fund	237,925	704,507	942,432	911,373
Total investments	237,925	704,507	942,432	911,373
Net assets held in trust for pension benefits	\$238,236	705,258	943,494	912,390

Contributory Retirement System**Schedules of Changes in Plan Net Assets by Division**

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996



(IN THOUSANDS)

	Local Governmental	State and School	Total All Divisions	
			1997	1996
Additions:				
Contributions:				
Member	\$ 3,203	5,334	8,537	8,765
Employer	3,332	7,319	10,651	10,224
Total contributions	6,535	12,653	19,188	18,989
Investment income:				
Transfer of appreciation in fair value of investments	26,094	78,075	104,169	92,205
Transfer of investment earnings	7,294	21,823	29,117	30,801
Net transfer of investment income	33,388	99,898	133,286	123,006
Total additions	39,923	112,551	152,474	141,995
Deductions:				
Retirement benefits	8,135	31,649	39,784	40,580
Cost of living benefits	3,683	16,402	20,085	19,445
Additional retirement benefits	567	3,448	4,015	4,469
Refunds	1,782	2,953	4,735	4,833
Administrative expenses	200	594	794	985
Total deductions	14,367	55,046	69,413	70,312
Increase from operations	25,556	57,505	83,061	71,683
Transfers between systems and affiliated funds	(17,912)	(34,045)	(51,957)	(155,851)
Net increase (decrease)	7,644	23,460	31,104	(84,168)
Net assets held in trust for pension benefits beginning of year	230,592	681,798	912,390	996,558
Net assets held in trust for pension benefits end of year	\$238,236	705,258	943,494	912,390

Contributory Retirement System

Schedules of Funding Progress by Division



(DOLLARS IN THOUSANDS)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory	1/01/89	\$242,352	285,807	43,455	84.8%	\$158,267	27.5%
Local Governmental	1/01/90	253,060	286,592	33,532	88.3	152,779	21.9
	1/01/91	223,607	247,581	23,974	90.3	141,072	17.0
	1/01/92	210,268	241,285	31,017	87.1	103,836	29.9
	1/01/93	209,020	254,884	45,864	82.0	97,317	47.1
	1/01/94	232,690	271,413	38,723	85.7	99,903	38.8
	1/01/95	247,291	298,280	50,989	82.9	97,715	52.2
	1/01/96	215,418	254,449	39,031	84.7	91,446	42.7
	1/01/97	191,393	218,534	27,141	87.6	54,829	49.5
	12/31/97	210,952	226,811	15,859	93.0	52,444	30.2
Contributory	1/01/89	\$655,248	916,857	261,609	71.5%	\$307,223	85.2%
State and School	1/01/90	701,840	949,333	247,493	73.9	296,571	83.5
	1/01/91	614,190	813,227	199,037	75.5	273,845	72.7
	1/01/92	612,595	774,742	162,147	79.1	201,564	80.4
	1/01/93	626,279	799,279	173,000	78.4	188,866	91.6
	1/01/94	679,027	827,749	148,722	82.0	193,930	76.7
	1/01/95	716,927	877,942	161,015	81.7	190,028	84.7
	1/01/96	636,616	737,925	101,309	86.3	170,239	59.5
	1/01/97	581,584	650,189	68,605	89.4	87,145	78.7
	12/31/97	622,292	656,565	34,273	94.8	85,787	40.0
Total	1/01/89	\$897,600	1,202,664	305,064	74.6%	\$465,490	65.5%
Contributory	1/01/90	954,900	1,235,925	281,025	77.3	449,350	62.5
Retirement	1/01/91	837,797	1,060,808	223,011	79.0	414,917	53.7
System	1/01/92	822,863	1,016,027	193,164	81.0	305,400	63.2
	1/01/93	835,299	1,054,163	218,864	79.2	286,183	76.5
	1/01/94	911,717	1,099,162	187,445	82.9	293,833	63.8
	1/01/95	964,218	1,176,222	212,004	82.0	287,743	73.7
	1/01/96	852,034	992,374	140,340	85.9	261,685	53.6
	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
	12/31/97	833,244	883,376	50,132	94.3	138,231	36.3

Contributory Retirement System

Schedules of Employer Contributions by Division



(DOLLARS IN THOUSANDS)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Local Governmental	1988	\$ 4,806	100%
	1989	3,584	100
	1990	2,579	100
	1991	3,017	100
	1992	3,612	100
	1993	3,427	100
	1994	4,200	100
	1995	4,329	100
	1996	3,009	100
	1997	3,332	100
Contributory State and School	1988	\$26,879	100%
	1989	22,724	100
	1990	18,137	100
	1991	15,541	100
	1992	15,530	100
	1993	14,511	100
	1994	14,519	100
	1995	13,394	100
	1996	7,215	100
	1997	7,319	100
Total Contributory Retirement System	1988	\$31,685	100%
	1989	26,308	100
	1990	20,716	100
	1991	18,558	100
	1992	19,142	100
	1993	17,938	100
	1994	18,719	100
	1995	17,723	100
	1996	10,224	100
	1997	10,651	100

Noncontributory Retirement System

Schedules of Plan Net Assets by Division

December 31, 1997

With Comparative Totals for December 31, 1996

(IN THOUSANDS)

	Local Governmental	State and School	Total All Divisions	
			1997	1996
Assets:				
Cash	\$ 1	35	36	26
Receivables:				
Employer contributions	2,387	15,727	18,114	17,544
Total receivables	2,387	15,727	18,114	17,544
Investments at fair value:				
Equity in Investment Fund	1,205,300	6,488,948	7,694,248	6,492,924
Total investments	1,205,300	6,488,948	7,694,248	6,492,924
Total assets	1,207,688	6,504,710	7,712,398	6,510,494
Liabilities:				
Due to other funds	—	34	34	24
Total liabilities	—	34	34	24
Net assets held in trust for pension benefits	\$1,207,688	6,504,676	7,712,364	6,510,470

Noncontributory Retirement System**Schedules of Changes in Plan Net Assets by Division**

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996

N

(IN THOUSANDS)

	Local Governmental	State and School	Total All Divisions	
			1997	1996
Additions:				
Contributions:				
Member	\$ 1,517	5,784	7,301	6,679
Employer	46,053	248,884	294,937	260,068
Total contributions	47,570	254,668	302,238	266,747
Investment income:				
Transfer of appreciation in fair value of investments	128,012	690,001	818,013	624,176
Transfer of investment earnings	35,781	193,413	229,194	208,297
Net transfer of investment income	163,793	883,414	1,047,207	832,473
Total additions	211,363	1,138,082	1,349,445	1,099,220
Deductions:				
Retirement benefits	21,081	138,088	159,169	138,373
Cost of living benefits	3,285	23,808	27,093	22,663
Refunds	1,455	3,540	4,995	4,774
Administrative expenses	902	5,421	6,323	5,721
Total deductions	26,723	170,857	197,580	171,531
Increase from operations	184,640	967,225	1,151,865	927,689
Transfers between systems and affiliated funds	18,219	31,810	50,029	153,969
Net increase	202,859	999,035	1,201,894	1,081,658
Net assets held in trust for pension benefits beginning of year	1,004,829	5,505,641	6,510,470	5,428,812
Net assets held in trust for pension benefits end of year	\$1,207,688	6,504,676	7,712,364	6,510,470

Noncontributory Retirement System

Schedules of Funding Progress by Division

(DOLLARS IN THOUSANDS)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Noncontributory	1/01/89	\$ 235,144	259,606	24,462	90.6%	\$ 145,445	16.8%
Local Governmental	1/01/90	276,786	294,639	17,853	93.9	170,267	10.5
	1/01/91	363,006	352,819	(10,187)	102.9	180,812	(5.6)
	1/01/92	442,072	465,625	23,553	94.9	229,978	10.2
	1/01/93	513,514	526,878	13,364	97.5	243,372	5.5
	1/01/94	591,167	587,087	(4,080)	100.7	265,872	(1.5)
	1/01/95	642,303	640,310	(1,993)	100.3	286,648	(0.7)
	1/01/96	779,728	812,952	33,224	95.9	324,541	10.2
	1/01/97	930,817	987,043	56,226	94.3	394,828	14.2
	12/31/97	1,080,713	1,085,602	4,889	99.5	443,169	1.1
Noncontributory	1/01/89	\$1,573,656	2,015,949	442,293	78.1%	\$ 662,584	66.8%
State and School	1/01/90	1,820,153	2,438,491	618,338	74.6	775,650	79.7
	1/01/91	2,231,239	2,874,730	643,491	77.6	823,650	78.1
	1/01/92	2,599,568	3,333,980	734,412	78.0	1,047,693	70.1
	1/01/93	2,967,068	3,659,865	692,797	81.1	1,138,470	60.9
	1/01/94	3,447,953	4,037,428	589,475	85.4	1,211,348	48.7
	1/01/95	3,729,887	4,565,563	835,676	81.7	1,355,475	61.7
	1/01/96	4,356,854	5,219,460	862,606	83.5	1,477,407	58.4
	1/01/97	5,038,996	5,930,915	891,919	85.0	1,660,051	53.7
	12/31/97	5,817,970	6,446,802	628,832	90.2	1,757,819	35.8
Total	1/01/89	\$1,808,800	2,275,555	466,755	79.5%	\$ 808,029	57.8%
Noncontributory	1/01/90	2,096,939	2,733,130	636,191	76.7	945,917	67.3
Retirement	1/01/91	2,594,245	3,227,549	633,304	80.4	1,004,462	63.0
System	1/01/92	3,041,640	3,799,605	757,965	80.1	1,277,671	59.3
	1/01/93	3,480,582	4,186,743	706,161	83.1	1,381,842	51.1
	1/01/94	4,039,120	4,624,515	585,395	87.3	1,477,220	39.6
	1/01/95	4,372,190	5,205,873	833,683	84.0	1,642,123	50.8
	1/01/96	5,136,582	6,032,412	895,830	85.1	1,801,948	49.7
	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
	12/31/97	6,898,683	7,532,404	633,721	91.6	2,200,988	28.8

Noncontributory Retirement System

Schedules of Employer Contributions by Division



(DOLLARS IN THOUSANDS)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Noncontributory Local Governmental	1988	\$ 8,760	100%
	1989	9,636	100
	1990	10,715	100
	1991	15,209	100
	1992	17,715	100
	1993	18,983	100
	1994	23,214	100
	1995	28,014	100
	1996	37,215	100
	1997	46,053	100
Noncontributory State and School	1988	\$ 85,912	100%
	1989	91,278	100
	1990	109,099	100
	1991	141,805	100
	1992	153,790	100
	1993	155,244	100
	1994	170,988	100
	1995	192,941	100
	1996	222,853	100
	1997	248,884	100
Total Noncontributory Retirement System	1988	\$ 94,672	100%
	1989	100,914	100
	1990	119,814	100
	1991	157,014	100
	1992	171,505	100
	1993	174,227	100
	1994	194,202	100
	1995	220,955	100
	1996	260,068	100
	1997	294,937	100

Public Safety Retirement System**Schedules of Plan
Net Assets by Division**

December 31, 1997

With Comparative Totals for December 31, 1996

PS

(IN THOUSANDS)

	State of Utah
Assets:	
Cash	\$ 2
Receivables:	
Member contributions	8
Employer contributions	624
Total receivables	632
Investments at fair value:	
Equity in Investment Fund	356,247
Total investments	356,247
Net assets held in trust for benefits	\$356,881

Public Safety Retirement System**Schedules of Changes
in Plan Net Assets
by Division**

Year Ended December 31, 1997

With Comparative Totals for

Year Ended December 31, 1996

PS

(IN THOUSANDS)

	State of Utah
Additions:	
Contributions:	
Member	\$ 305
Employer	14,310
Total contributions	14,615
Investment income:	
Transfer of appreciation in fair value of investments	38,116
Transfer of investment earnings	10,653
Net transfer of investment income	48,769
Total additions	63,384
Deductions:	
Retirement benefits	10,458
Cost of living benefits	1,721
Additional retirement benefits	470
Refunds	165
Administrative expenses	306
Total deductions	13,120
Increase from operations	50,264
Transfers between systems and affiliated funds	239
Net increase	50,503
Net assets held in trust for pension benefits beginning of year	306,378
Net assets held in trust for pension benefits end of year	\$356,881

Other Division A	Salt Lake City	Ogden	Provo	Logan	Bountiful	Other Division B	Total All Divisions	
							1997	1996
2	2	2	1	1	2	2	14	14
117	1	2	18	8	—	42	196	209
650	218	35	17	5	10	105	1,664	1,168
767	219	37	35	13	10	147	1,860	1,377
393,841	101,481	31,222	16,645	9,398	8,288	51,861	968,983	829,871
393,841	101,481	31,222	16,645	9,398	8,288	51,861	968,983	829,871
394,610	101,702	31,261	16,681	9,412	8,300	52,010	970,857	831,262

Other Division A	Salt Lake City	Ogden	Provo	Logan	Bountiful	Other Division B	Total All Divisions	
							1997	1996
2,228	33	63	496	186	35	999	4,345	4,151
10,755	5,222	899	423	96	230	2,282	34,217	29,271
12,983	5,255	962	919	282	265	3,281	38,562	33,422
42,057	10,933	3,369	1,777	1,006	890	5,400	103,548	80,280
11,755	3,056	942	497	281	249	1,509	28,942	26,790
53,812	13,989	4,311	2,274	1,287	1,139	6,909	132,490	107,070
66,795	19,244	5,273	3,193	1,569	1,404	10,190	171,052	140,492
7,782	4,984	1,086	618	225	233	355	25,741	23,499
1,219	1,000	190	137	32	29	19	4,347	3,817
248	108	33	16	2	7	—	884	907
302	39	36	9	—	—	60	611	895
285	110	28	16	7	7	33	792	766
9,836	6,241	1,373	796	266	276	467	32,375	29,884
56,959	13,003	3,900	2,397	1,303	1,128	9,723	138,677	110,608
287	208	42	22	7	8	105	918	1,228
57,246	13,211	3,942	2,419	1,310	1,136	9,828	139,595	111,836
337,364	88,491	27,319	14,262	8,102	7,164	42,182	831,262	719,426
394,610	101,702	31,261	16,681	9,412	8,300	52,010	970,857	831,262

Public Safety Retirement System**Schedules of Funding Progress by Division****PS***(DOLLARS IN THOUSANDS)*

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Public Safety State of Utah	1/01/89	\$104,261	161,380	57,119	64.6%	\$37,994	150.3%
	1/01/90	119,065	162,008	42,943	73.5	38,723	110.9
	1/01/91	139,975	178,773	38,798	78.3	41,938	92.5
	1/01/92	159,186	192,533	33,347	82.7	46,965	71.0
	1/01/93	178,409	214,757	36,348	83.1	43,715	83.1
	1/01/94	204,170	245,379	41,209	83.2	52,803	78.0
	1/01/95	219,963	268,672	48,709	81.9	56,174	86.7
	1/01/96	246,859	296,811	49,952	83.2	57,193	87.3
	1/01/97	278,328	334,751	56,423	83.1	64,857	87.0
	12/31/97	318,722	360,295	41,573	88.5	69,652	59.7
Public Safety Other Division A	1/01/89	\$125,086	151,231	26,145	82.7%	\$38,993	67.1%
	1/01/90	136,143	149,755	13,612	90.9	39,742	34.3
	1/01/91	155,096	155,438	342	99.8	43,042	0.8
	1/01/92	176,403	171,522	(4,881)	102.8	48,202	(10.1)
	1/01/93	197,574	187,752	(9,822)	105.2	45,614	(21.5)
	1/01/94	225,842	213,216	(12,626)	105.9	54,192	(23.3)
	1/01/95	242,135	239,066	(3,069)	101.3	57,909	(5.3)
	1/01/96	272,119	272,849	730	99.7	64,802	1.1
	1/01/97	306,419	311,406	4,987	98.4	71,915	6.9
	12/31/97	352,457	339,920	(12,537)	103.7	79,944	(15.7)
Public Safety Salt Lake City	1/01/89	\$ 40,158	80,494	40,336	49.9%	\$ 8,000	504.2%
	1/01/90	42,050	79,413	37,363	53.0	8,152	458.3
	1/01/91	47,389	82,124	34,735	57.7	8,829	393.4
	1/01/92	52,163	88,340	36,177	59.0	9,888	365.9
	1/01/93	56,930	94,811	37,881	60.0	11,565	327.5
	1/01/94	63,359	100,095	36,736	63.3	11,116	330.5
	1/01/95	66,034	106,419	40,385	62.1	12,387	326.0
	1/01/96	72,889	114,732	41,843	63.5	13,787	303.5
	1/01/97	80,299	120,767	40,468	66.5	13,804	293.2
	12/31/97	90,676	127,001	36,325	71.4	16,069	226.1
Public Safety Ogden	1/01/89	\$ 10,522	17,608	7,086	59.8%	\$ 2,466	287.3%
	1/01/90	11,630	17,905	6,275	65.0	2,513	249.7
	1/01/91	13,230	18,521	5,291	71.4	2,682	197.3
	1/01/92	15,013	20,009	4,996	75.0	2,947	169.5
	1/01/93	16,767	21,781	5,014	77.0	3,844	130.4
	1/01/94	19,148	24,542	5,394	78.0	3,254	165.8
	1/01/95	20,375	26,990	6,615	75.5	3,464	191.0
	1/01/96	22,461	27,287	4,826	82.3	3,442	140.2
	1/01/97	24,767	30,598	5,831	80.9	3,629	160.7
	12/31/97	27,839	32,332	4,493	86.1	3,899	115.2
Public Safety Provo	1/01/89	\$ 5,862	7,738	1,876	75.8%	\$ 1,534	122.3%
	1/01/90	6,218	9,518	3,300	65.3	1,563	211.1
	1/01/91	7,133	10,212	3,079	69.8	1,732	177.8
	1/01/92	7,926	11,485	3,559	69.0	1,997	178.2
	1/01/93	8,777	12,486	3,709	70.3	2,092	177.3
	1/01/94	9,837	13,339	3,502	73.7	2,304	152.0
	1/01/95	10,416	14,397	3,981	72.3	2,608	152.6
	1/01/96	11,597	15,800	4,203	73.4	2,750	152.8
	1/01/97	12,955	17,344	4,389	74.7	3,160	138.9
	12/31/97	14,904	18,611	3,707	80.1	3,532	105.0

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

(DOLLARS IN THOUSANDS)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Public Safety Logan	1/01/89	\$ 3,056	4,732	1,676	64.6%	\$ 1,200	139.7%
	1/01/90	3,346	4,452	1,106	75.2	1,223	90.4
	1/01/91	3,754	4,795	1,041	78.3	1,324	78.6
	1/01/92	4,266	5,216	950	81.8	1,483	64.1
	1/01/93	4,783	5,475	692	87.4	1,064	65.0
	1/01/94	5,489	5,585	96	98.3	1,667	5.8
	1/01/95	5,912	5,929	17	99.7	1,213	1.4
	1/01/96	6,590	6,639	49	99.3	1,354	3.6
	1/01/97	7,352	7,749	397	94.9	1,500	26.5
	12/31/97	8,398	8,384	(14)	100.2	1,671	(0.8)
Public Safety Bountiful	1/01/89	\$ 2,735	3,177	442	86.1%	\$ 799	55.3%
	1/01/90	3,147	3,165	18	99.4	815	2.2
	1/01/91	3,558	3,761	203	94.6	883	23.0
	1/01/92	3,963	4,155	192	95.4	989	19.4
	1/01/93	4,358	4,601	243	94.7	990	24.5
	1/01/94	4,925	5,346	421	92.1	1,112	37.9
	1/01/95	5,250	5,717	467	91.8	1,109	42.1
	1/01/96	5,847	6,524	677	89.6	1,100	61.5
	1/01/97	6,500	7,607	1,107	85.4	1,167	94.9
	12/31/97	7,403	8,165	762	90.7	1,246	61.2
Public Safety Division B	1/01/89	\$ 6,635	14,582	7,947	45.5%	\$ 8,998	88.3%
	1/01/90	8,808	11,458	2,650	76.9	9,171	28.9
	1/01/91	11,366	11,009	(357)	103.2	9,933	(3.6)
	1/01/92	14,731	13,316	(1,415)	110.6	11,124	(12.7)
	1/01/93	18,263	16,001	(2,262)	114.1	12,020	(18.8)
	1/01/94	22,744	19,856	(2,888)	114.5	12,506	(23.1)
	1/01/95	26,807	23,917	(2,890)	112.1	13,927	(20.8)
	1/01/96	32,248	30,508	(1,740)	105.7	15,515	(11.2)
	1/01/97	38,486	36,282	(2,204)	106.1	16,947	(13.0)
	12/31/97	46,782	42,375	(4,407)	110.4	19,451	(22.7)
Total Public Safety Retirement System	1/01/89	\$298,315	440,942	142,627	67.7%	\$ 99,984	142.6%
	1/01/90	330,407	437,674	107,267	75.5	101,902	105.3
	1/01/91	381,501	464,633	83,132	82.1	110,363	75.3
	1/01/92	433,651	506,576	72,925	85.6	123,595	59.0
	1/01/93	485,861	557,664	71,803	87.1	120,904	59.4
	1/01/94	555,514	627,358	71,844	88.5	138,954	51.7
	1/01/95	596,892	691,107	94,215	86.4	148,791	63.3
	1/01/96	670,610	771,150	100,540	87.0	159,943	62.9
	1/01/97	755,106	866,504	111,398	87.1	176,979	62.9
	12/31/97	867,181	937,083	69,902	92.5	195,464	35.8

Public Safety Retirement System**Schedules of Employer Contributions by Division****PS***(DOLLARS IN THOUSANDS)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Public Safety State of Utah	1988	\$ 2,422	100%
	1989	4,330	100
	1990	7,661	100
	1991	8,995	100
	1992	8,855	100
	1993	8,205	100
	1994	8,907	100
	1995	10,670	100
	1996	12,938	100
	1997	14,310	100
Public Safety Other Division A	1988	\$ 2,633	100%
	1989	2,622	100
	1990	3,576	100
	1991	5,147	100
	1992	4,984	100
	1993	3,809	100
	1994	4,503	100
	1995	7,101	100
	1996	8,860	100
	1997	10,755	100
Public Safety Salt Lake City	1988	\$ 1,406	100%
	1989	1,444	100
	1990	2,562	100
	1991	3,314	100
	1992	3,582	100
	1993	3,307	100
	1994	3,755	100
	1995	4,363	100
	1996	4,359	100
	1997	5,222	100
Public Safety Ogden	1988	\$ 298	100%
	1989	303	100
	1990	314	100
	1991	397	100
	1992	423	100
	1993	369	100
	1994	352	100
	1995	689	100
	1996	792	100
	1997	899	100
Public Safety Provo	1988	\$ 228	100%
	1989	219	100
	1990	251	100
	1991	257	100
	1992	319	100
	1993	240	100
	1994	273	100
	1995	303	100
	1996	341	100
	1997	423	100

Public Safety Retirement System

Schedules of Employer Contributions by Division (Continued)

(DOLLARS IN THOUSANDS)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Public Safety Logan	1988	\$ 66	100%
	1989	72	100
	1990	77	100
	1991	106	100
	1992	121	100
	1993	100	100
	1994	94	100
	1995	82	100
	1996	72	100
	1997	96	100
Public Safety Bountiful	1988	\$ 43	100%
	1989	49	100
	1990	130	100
	1991	157	100
	1992	127	100
	1993	130	100
	1994	149	100
	1995	179	100
	1996	203	100
	1997	230	100
Public Safety Other Division B	1988	\$ 527	100%
	1989	601	100
	1990	897	100
	1991	1,106	100
	1992	1,030	100
	1993	800	100
	1994	862	100
	1995	1,345	100
	1996	1,706	100
	1997	2,282	100
Total	1988	\$ 7,623	100%
Public Safety Retirement System	1989	9,640	100
	1990	15,468	100
	1991	19,479	100
	1992	19,441	100
	1993	16,960	100
	1994	18,895	100
	1995	24,732	100
	1996	29,271	100
	1997	34,217	100

Firefighters Retirement System**Schedules of Plan Net Assets by Division**

December 31, 1997

With Comparative Totals for December 31, 1996



(IN THOUSANDS)

	Division A	Division B	Total All Divisions	
			1997	1996
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	71	293	364	235
Employer contributions	—	113	113	74
Fire insurance premium tax	268	1,498	1,766	347
Total receivables	339	1,904	2,243	656
Investments at fair value:				
Equity in Investment Fund	47,128	371,811	418,939	361,897
Total investments	47,128	371,811	418,939	361,897
Net assets held in trust for pension benefits	\$47,468	373,716	421,184	362,555

Firefighters Retirement System**Schedules of Changes in Plan Net Assets by Division**

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996

F

(IN THOUSANDS)

	Division A	Division B	Total All Divisions	
			1997	1996
Additions:				
Contributions:				
Member	\$ 1,111	7,247	8,358	7,461
Employer	—	2,836	2,836	2,002
Fire insurance premium tax	691	3,861	4,552	4,333
Total contributions	1,802	13,944	15,746	13,796
Investment income:				
Transfer of appreciation in fair value of investments	5,017	39,954	44,971	34,959
Transfer of investment earnings	1,402	11,168	12,570	11,667
Net transfer of investment income	6,419	51,122	57,541	46,626
Total additions	8,221	65,066	73,287	60,422
Deductions:				
Retirement benefits	593	10,243	10,836	9,638
Cost of living benefits	136	2,374	2,510	2,224
Additional retirement benefits	52	923	975	1,026
Refunds	1	297	298	84
Administrative expenses	29	302	331	331
Total deductions	811	14,139	14,950	13,303
Increase from operations	7,410	50,927	58,337	47,119
Transfers between systems and affiliated funds	21	271	292	373
Net increase	7,431	51,198	58,629	47,492
Net assets held in trust for pension benefits beginning of year	40,037	322,518	362,555	315,063
Net assets held in trust for pension benefits end of year	\$47,468	373,716	421,184	362,555

Firefighters Retirement System

Schedules of Funding Progress by Division

(DOLLARS IN THOUSANDS)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Firefighters	1/01/89	\$ 13,450	12,880	(570)	104.4%	\$ 4,079	(14.0)%
Division A	1/01/90	14,463	12,984	(1,479)	111.4	4,117	(35.9)
	1/01/91	16,780	14,748	(2,032)	113.8	4,637	(43.8)
	1/01/92	19,234	16,513	(2,721)	116.5	4,984	(54.6)
	1/01/93	21,570	17,367	(4,203)	124.2	5,327	(78.9)
	1/01/94	25,213	20,326	(4,887)	124.0	5,682	(86.0)
	1/01/95	27,804	24,708	(3,096)	112.5	5,768	(53.7)
	1/01/96	31,807	28,026	(3,781)	113.5	6,299	(60.0)
	1/01/97	36,473	32,138	(4,335)	113.5	7,032	(61.6)
	12/31/97	42,529	36,071	(6,458)	117.9	7,968	(81.0)
Firefighters	1/01/89	\$121,050	174,752	53,702	69.3%	\$25,057	214.3%
Division B	1/01/90	135,209	178,879	43,670	75.6	25,290	172.7
	1/01/91	154,959	194,649	39,690	79.6	26,275	151.1
	1/01/92	173,632	211,402	37,770	82.1	28,243	133.7
	1/01/93	191,589	220,385	28,796	86.9	31,190	92.3
	1/01/94	218,015	258,758	40,743	84.3	32,197	126.5
	1/01/95	233,719	282,751	49,032	82.7	34,389	142.6
	1/01/96	262,009	305,406	43,397	85.8	36,728	118.2
	1/01/97	293,002	330,273	37,271	88.7	38,937	95.7
	12/31/97	333,662	354,185	20,523	94.2	43,319	47.4
Total	1/01/89	\$134,500	187,632	53,132	71.7%	\$29,136	182.4%
Firefighters	1/01/90	149,672	191,863	42,191	78.0	29,407	143.5
Retirement	1/01/91	171,739	209,397	37,658	82.0	30,912	121.8
System	1/01/92	192,866	227,915	35,049	84.6	33,227	105.5
	1/01/93	213,159	237,752	24,593	89.7	36,517	67.3
	1/01/94	243,228	279,084	35,856	87.2	37,879	94.7
	1/01/95	261,523	307,459	45,936	85.1	40,157	114.4
	1/01/96	293,816	333,432	39,616	88.1	43,027	92.1
	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
	12/31/97	376,191	390,256	14,065	96.4	51,287	27.4

Firefighters Retirement System

Schedules of Employer Contributions by Division



(DOLLARS IN THOUSANDS)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Firefighters Division A	1988	\$ 410	100%
	1989	373	100
	1990	365	100
	1991	275	100
	1992	204	100
	1993	394	100
	1994	499	100
	1995	697	100
	1996	651	100
1997	691	100	
Firefighters Division B	1988	\$5,097	100%
	1989	4,691	100
	1990	4,537	100
	1991	4,233	100
	1992	4,205	100
	1993	4,566	100
	1994	4,999	100
	1995	5,850	100
	1996	5,684	100
1997	6,697	100	
Total Firefighters Retirement System	1988	\$5,507	100%
	1989	5,064	100
	1990	4,902	100
	1991	4,508	100
	1992	4,409	100
	1993	4,960	100
	1994	5,498	100
	1995	6,547	100
	1996	6,335	100
1997	7,388	100	

Judges Retirement System**Schedule of Plan Net Assets**

December 31, 1997

With Comparative Totals for December 31, 1996

J

(IN THOUSANDS)

	1997	1996
Assets:		
Cash	\$ 1	1
Receivables:		
Member contributions	1	28
Employer contributions	72	38
Court fees	334	233
Total receivables	407	299
Investments at fair value:		
Equity in Investment Fund	65,891	55,457
Total investments	65,891	55,457
Net assets held in trust for pension benefits	\$66,299	55,757

Governors and Legislative Pension Plan**Schedule of Plan Net Assets**

December 31, 1997

With Comparative Totals for December 31, 1996

G&L

(IN THOUSANDS)

	1997	1996
Assets:		
Cash	\$ 1	1
Investments at fair value:		
Equity in Investment Fund	10,530	9,560
Total investments	10,530	9,560
Net assets held in trust for pension benefits	\$10,531	9,561

Schedules of Administrative and Investment Expenses

Year Ended December 31, 1997

(IN THOUSANDS)

	Defined Benefit Pension Systems	Pension Investment Trust Fund	401(k) and 457 Plans	Total (Memorandum Only)
Personal services:				
Salaries and wages	\$3,616	445	788	4,849
Employee benefits	1,463	227	302	1,992
Total personnel services	5,079	672	1,090	6,841
Professional services:				
Audit	42	—	10	52
Actuarial services	122	—	—	122
General counsel	283	—	13	296
Banking services	22	11	—	33
Security handling expense	—	1,151	—	1,151
Investment advisor fees	—	13,253	473	13,726
Other consulting services	33	—	78	111
Total professional services	502	14,415	574	15,491
Communications:				
Telephone	171	—	—	171
Postage	257	—	90	347
Other	14	—	13	27
Total communications	442	—	103	545
Rentals:				
Office space	418	49	31	498
Office equipment rental	36	—	—	36
Data processing equipment	80	—	—	80
Total rentals	534	49	31	614
Miscellaneous:				
Data processing	217	—	322	539
Travel	79	25	1	105
Contractual services	300	—	123	423
Supplies and maintenance	132	—	—	132
Insurance and bonding premiums	190	—	22	212
Subscription expense	21	7	3	31
Office supplies	131	—	1	132
Depreciation expense	599	—	—	599
Other expense	223	11	4	238
Total miscellaneous	1,892	43	476	2,411
Total administrative expenses	\$8,449	15,179	2,274	25,902
Allocation of administrative expenses:				
Contributory Retirement System	\$ 794	—	—	794
Noncontributory Retirement System	6,323	—	—	6,323
Public Safety Retirement System	792	—	—	792
Firefighters Retirement System	331	—	—	331
Judges Retirement System	55	—	—	55
Governors and Legislative Pension Plan	6	—	—	6
401(k) Plan administrative expense	—	—	1,446	1,446
457 Plan administrative expense	—	—	355	355
Total administrative expenses retirement systems	8,301	—	1,801	10,102
Investment Fund administrative expense	—	1,926	—	1,926
Other affiliated funds	148	—	—	148
Investment advisor fees:				
Investment Fund advisor fees	—	13,253	—	13,253
401(k) Plan advisor fees	—	—	412	412
457 Plan advisor fees	—	—	61	61
Total investment advisor fees	—	13,253	473	13,726
Total administrative expense allocations	\$8,449	15,179	2,274	25,902

401(k) Plan**Balance Sheets by Investment Fund**

December 31, 1997

With Comparative Totals for December 31, 1996

401(k)

(IN THOUSANDS)

	Group Annuity Fund	Member Loan Fund	S&P Stock Index Fund	Templeton Fund	Income Fund	Fidelity Puritan Fund	Total	
							1997	1996
Assets:								
Cash	\$ —	7	3,158	41	1,049	407	4,662	—
Receivables	83	1,493	379	—	—	—	1,955	918
Investments at fair value:								
Short-term securities	—	—	876	—	—	—	876	2,349
Equity investments	—	—	270,643	43,394	—	189,956	503,993	335,221
Investment contracts	47,276	—	—	—	246,244	—	293,520	277,893
Total investments	47,276	—	271,519	43,394	246,244	189,956	798,389	615,463
Total assets	47,359	1,500	275,056	43,435	247,293	190,363	805,006	616,381
Liabilities:								
Disbursements in excess of cash balance	83	—	—	—	662	—	745	209
Due to affiliated funds	—	—	—	—	—	—	—	741
Investment advisor fees payable	—	—	—	—	1,044	226	1,270	88
Total liabilities	83	—	—	—	1,706	226	2,015	1,038
Net assets available for benefits	\$47,276	1,500	275,056	43,435	245,587	190,137	802,991	615,343
Fund balance:								
Employee deferred compensation	\$47,220	1,493	274,537	43,421	245,950	189,508	802,129	615,407
Administrative expense reserve	56	7	519	14	(363)	629	862	(64)
Total fund balance	\$47,276	1,500	275,056	43,435	245,587	190,137	802,991	615,343

401(k) Plan**Schedules of Revenues, Expenses and
Changes in Fund Balance by Investment Fund**

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996

401(k)

(IN THOUSANDS)

	Group Annuity Fund	Member Loan Fund	S&P Stock Index Fund	Templeton Fund	Income Fund	Fidelity Puritan Fund	Total	
							1997	1996
Additions:								
Contributions:								
Member contributions	\$ 2	—	32,898	9,506	28,506	27,597	98,509	86,199
Investment income:								
Net appreciation (depreciation) in fair value of investments	—	—	58,790	(377)	1,937	17,613	77,963	31,235
Short-term earnings	(29)	—	138	4	13	19	145	148
Equity earnings	—	—	4,029	4,010	—	14,875	22,914	19,995
Investment contracts	3,149	104	—	—	14,371	—	17,624	15,332
Total investment income	3,120	104	62,957	3,637	16,321	32,507	118,646	66,710
Less investment advisor fees	—	—	25	—	387	—	412	350
Net investment income	3,120	104	62,932	3,637	15,934	32,507	118,234	66,360
Total additions	3,122	104	95,830	13,143	44,440	60,104	216,743	152,559
Deductions:								
Member refunds	2,849	75	6,456	1,105	11,543	5,650	27,678	21,546
Administrative expenses	98	18	456	76	471	327	1,446	961
Total deductions	2,947	93	6,912	1,181	12,014	5,977	29,124	22,507
Additions in excess of deductions	175	11	88,918	11,962	32,426	54,127	187,619	130,052
Transfers between systems and affiliated funds	(3,672)	780	11,742	4,313	(13,396)	262	29	89
Net increase (decrease) in plan assets	(3,497)	791	100,660	16,275	19,030	54,389	187,648	130,141
Plan assets beginning of year	50,773	709	174,396	27,160	226,557	135,748	615,343	485,202
Plan assets end of year	\$47,276	1,500	275,056	43,435	245,587	190,137	802,991	615,343

457 Plan**Balance Sheets by Investment Fund**

December 31, 1997

With Comparative Totals for December 31, 1996

457

(IN THOUSANDS)

	Group Annuity/ Life Insurance Fund	S&P Stock Index Fund	Templeton Fund	Income Fund	Fidelity Puritan Fund	1997	Total 1996
Assets:							
Cash	\$ —	183	8	610	75	876	—
Receivables	100	93	—	—	—	193	591
Investments at fair value:							
Short-term securities	—	302	—	—	—	302	731
Equity investments	—	66,793	7,584	—	35,218	109,595	80,983
Investment contracts	48,480	—	—	35,343	—	83,823	90,331
Total investments	48,480	67,095	7,584	35,343	35,218	193,720	172,045
Total assets	48,580	67,371	7,592	35,953	35,293	194,789	172,636
Liabilities:							
Disbursements in excess of cash balance	100	—	—	—	—	100	591
Due to affiliated funds	—	—	—	—	—	—	530
Investment payables	—	—	—	102	45	147	13
Total liabilities	100	—	—	102	45	247	1,134
Net assets available for benefits	\$48,480	67,371	7,592	35,851	35,248	194,542	171,502
Fund balance:							
Employee deferred compensation	\$48,456	67,156	7,482	35,516	35,168	193,778	170,832
Administrative expense reserve	24	215	110	335	80	764	670
Total fund balance	\$48,480	67,371	7,592	35,851	35,248	194,542	171,502

457 Plan**Schedules of Revenues, Expenses and
Changes in Fund Balance by Investment Fund**

Year Ended December 31, 1997

With Comparative Totals for Year Ended December 31, 1996

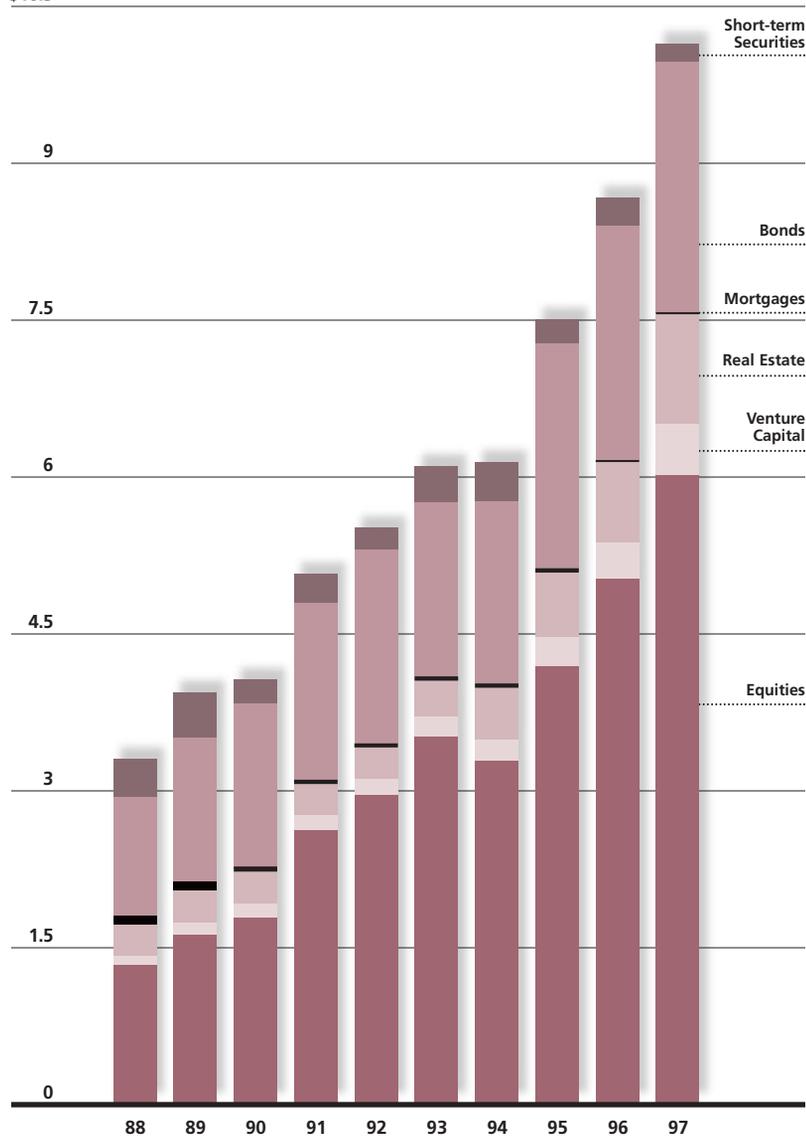
457

(IN THOUSANDS)

	Group Annuity/ Life Insurance Fund	S&P Stock Index Fund	Templeton Fund	Income Fund	Fidelity Puritan Fund	1997	Total 1996
Additions:							
Contributions:							
Member contributions	\$ —	2,306	542	2,405	1,749	7,002	5,982
Investment income:							
Net appreciation (depreciation) in fair value of investments	—	15,259	(12)	286	3,534	19,067	9,277
Short-term earnings	(33)	34	—	(18)	(4)	(21)	(32)
Equity earnings	—	1,001	700	—	2,848	4,549	4,591
Investment contracts	2,945	—	—	2,015	—	4,960	4,963
Total investment income	2,912	16,294	688	2,283	6,378	28,555	18,799
Less investment advisor fees	—	6	—	55	—	61	133
Net investment income	2,912	16,288	688	2,228	6,378	28,494	18,666
Total additions	2,912	18,594	1,230	4,633	8,127	35,496	24,648
Deductions:							
Member refunds	6,681	1,374	53	2,772	1,221	12,101	10,316
Administrative expenses	93	117	14	67	64	355	223
Total deductions	6,774	1,491	67	2,839	1,285	12,456	10,539
Additions in excess of deductions	(3,862)	17,103	1,163	1,794	6,842	23,040	14,109
Transfers between systems and affiliated funds							
	(3,829)	2,524	1,043	379	(117)	—	—
Net increase (decrease) in plan assets	(7,691)	19,627	2,206	2,173	6,725	23,040	14,109
Plan assets beginning of year	56,171	47,744	5,386	33,678	28,523	171,502	157,393
Plan assets end of year	\$48,480	67,371	7,592	35,851	35,248	194,542	171,502

(IN BILLIONS)

\$10.5



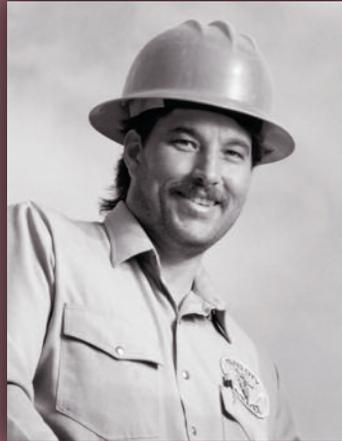
Ten-Year Investment Comparison

ALL RETIREMENT SYSTEMS

(IN MILLIONS)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Short-term Securities	\$ 360	435	229	274	206	348	380	231	269	174
Bonds	1,192	1,429	1,587	1,711	1,879	1,712	1,763	2,143	2,225	2,406
Mortgages	36	33	17	15	13	15	12	11	4	4
Real Estate	294	306	309	308	300	339	502	662	805	1,057
Venture Capital	43	95	138	149	160	193	209	271	344	494
Equities	1,373	1,638	1,777	2,611	2,951	3,510	3,274	4,186	5,022	6,009
Totals	\$3,298	3,936	4,057	5,068	5,509	6,117	6,140	7,504	8,669	10,144

Utah Retirement Systems
1997 Comprehensive Annual Financial Report



Investment Section

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Pension Investment Trust Fund

Report on Investment Activity

UTAH STATE RETIREMENT BOARD

UTAH RETIREMENT SYSTEMS

540 East 200 South
Salt Lake City, Utah 84102-2099
(801) 366-7700
(800) 365-8772 TOLL FREE
(801) 366-7734 FAX

M. DEE WILLIAMS
EXECUTIVE DIRECTOR

February 27, 1998

Dear Members of the Utah Retirement Systems:

The investment environment during 1997 was very favorable. Economic growth in the United States was stronger than anticipated; Gross Domestic Product increased 3.9%. Inflation as measured by the Consumer Price Index rose just 1.7%, the smallest increase in a decade. These factors combined with falling interest rates produced exceptional gains for U.S. equities. For 1997 the Standard and Poors 500 index increased by 33.27%. During the last three years this index has compounded at a 31.18% rate, well in excess of its 71 year average return of 10.8%. Smaller stocks also produced positive returns but trailed large stocks by a substantial margin. The Russell 2000 index returned 22.36% for 1997. Fixed income returns as measured by the Lehman Aggregate index were 9.64%. Returns in most international markets were weak. Asian markets were particularly poor, losing 25.49%.

During 1997 Utah Retirement Systems portfolio experienced a 15.75% rate of return on fair value. This return increased the portfolio's value more than \$1.5 billion to a market value in excess of \$10.2 billion, a new high. Five-year average returns for the Fund are 13.62%, also a new high.

Returns for 1997 helped the Fund to accomplish its stated goal of providing promised benefits at the lowest possible cost to the employees and the employers. The basic investment objective of the Fund is a total return which exceeds the actuarial assumption (8%) over rolling five-year periods. Over the long term, the portfolio is expected to produce returns comparable to those of other public and private pension funds.

Correct asset allocation is the main determinant of the Fund's success in meeting long-term objectives. Adherence to a disciplined investment policy requires the Fund to reduce asset classes that have appreciated in value beyond established targets and reinvest the proceeds into asset classes that have underperformed and fallen to levels below their established targets. This disciplined process automatically forces the Fund to sell relatively high priced assets and buy relatively low priced assets. Currently, the portfolio mix which has a high probability of achieving the Fund's basic investment objective is: 55% equity investments, 27% fixed income investments, 11% real estate investments and 7% alternative investments.

Given recent high returns for domestic equity markets, it may be prudent to note that long-term returns from this asset class have averaged just slightly in excess of 10% for the last 71 years. Historically, returns from all asset classes regress to the average return over time. It is possible that U.S. equities may experience a period of under performance in the not-too-distant future.

Sincerely,



Richard L. Cherry
Chief Investment Officer

Pension Investment Trust Fund Outline of Investment Policies

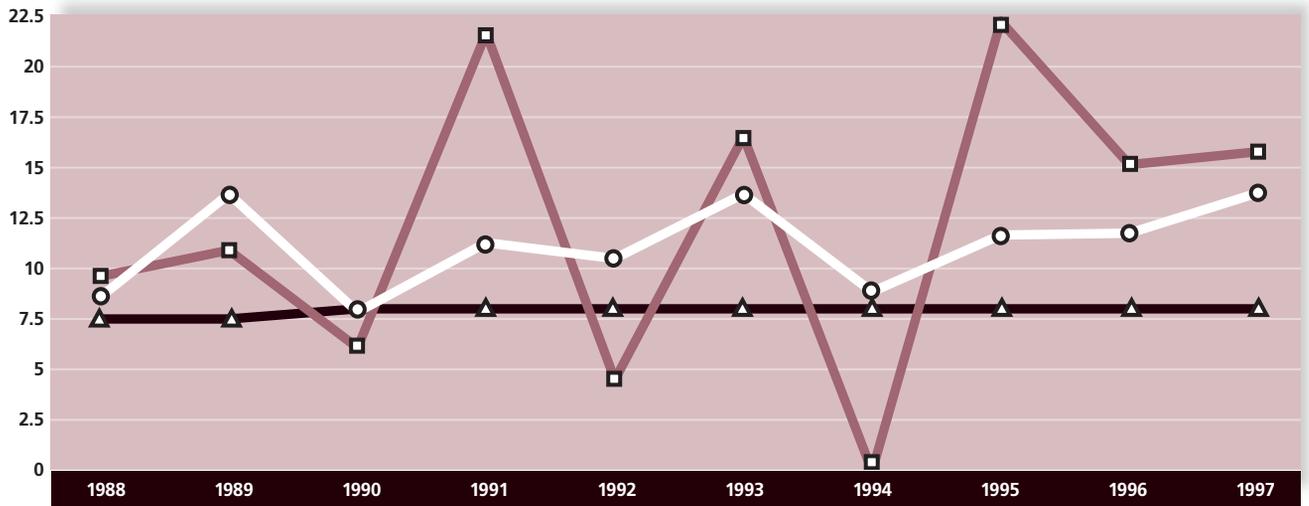
The governing body of the Utah Retirement Systems (URS) is a seven member board. The Board is comprised of six trustees appointed by the Governor and the Utah State Treasurer who serves as an ex-officio member. Four Board members are appointed for their investment expertise, while two members are appointed to represent employee and employer interests.

The Retirement Board has statutory authority to pool pension assets in the Utah Retirement Investment Fund. Statutes also establish that this Fund shall be invested in accordance with the “prudent man rule”. The prudent man rule requires all members of the Board and investment staff to discharge their duties solely in the interest of System’s participants and beneficiaries and with the care, skill, prudence and diligence which they would

exercise in the conduct of their own affairs. To this end a Statement of Investment Policy and Performance Objectives has been created for the Fund and adopted by the Board. The purpose of this Statement is to:

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

The primary investment objectives are to preserve Fund assets and generate an appropriate level



Pension Investment Trust Fund Rates of Return

(I N P E R C E N T S)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
○ Rate of Return on Smoothed Expected Investment Income	8.58%	13.66%	7.84%	11.26%	10.48%	13.67%	8.84%	11.64%	11.73%	13.72%
□ Rate of Return on Fair Value	9.60	10.89	6.08	21.60	4.50	16.50	0.00	22.18	15.11	15.75
▲ Actuarial Assumed Interest Rate	7.50	7.50	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

Pension Investment Trust Fund**Outline of Investment Policies**

(Continued)

of risk adjusted return to meet future pension obligations. The URS periodically completes an asset allocation and liability study to determine the optimal portfolio diversification expected to generate a risk-adjusted return sufficient to meet the Fund's actuarial investment requirements.

The URS investment portfolio includes strategic, long-term commitments in the following asset classes: Domestic Equities, Domestic Fixed Income, International Equities, International Fixed Income, Real Estate, and Alternative Investments. Asset allocation is reviewed in conjunction with the plan liabilities at least every five years.

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

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

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

Managers' portfolios shall be evaluated both against appropriate market indices and similar manager style groups. The Investment Policy outlines appropriate benchmarks.

Pension Investment Trust Fund**Investment Highlights****COMPARATIVE INVESTMENT RESULTS (1)(2)**

	Year Ended December 31,					Annualized	
	1993	1994	1995	1996	1997	3 Year	5 Year
Total Fund							
Utah	16.5%	0.0%	22.0%	15.1%	15.8%	17.6%	13.6%
Callan							
Median							
Public							
Fund(3)	12.5	(.8)	24.3	13.3	18.5	18.3	13.3
Callan							
Corporate							
Plans(4)	11.2	(.6)	25.8	14.6	19.5	20.2	14.2
Inflation	2.7	2.7	2.5	3.3	1.7	2.5	2.6

(1) Source: Callan Associates, Inc.

(2) Total Rates of Return: Includes cash income plus gains and losses due to changes in market value, whether realized or unrealized.

(3) Callan Median Public Funds Database.

(4) Callan Corporate Plans Database.

TEN-YEAR TOTAL PENSION INVESTMENT RATES OF RETURN

(DOLLARS IN MILLIONS)

	Total Investment Portfolio Fair Value	(1) Smoothed Expected Investment Income Rate	(2) Rate of Return on Fair Value	(3) Actuarial Assumed Interest Rate
1988	\$ 3,298	8.58%	9.60%	7.50%
1989	3,936	13.66	10.89	7.50
1990	4,057	7.84	6.08	8.00
1991	5,068	11.26	21.60	8.00
1992	5,308	10.48	4.50	8.00
1993	6,117	13.67	16.50	8.00
1994	6,140	8.84	0.00	8.00
1995	7,504	11.64	22.18	8.00
1996	8,669	11.73	15.11	8.00
1997	10,144	13.72	15.75	8.00

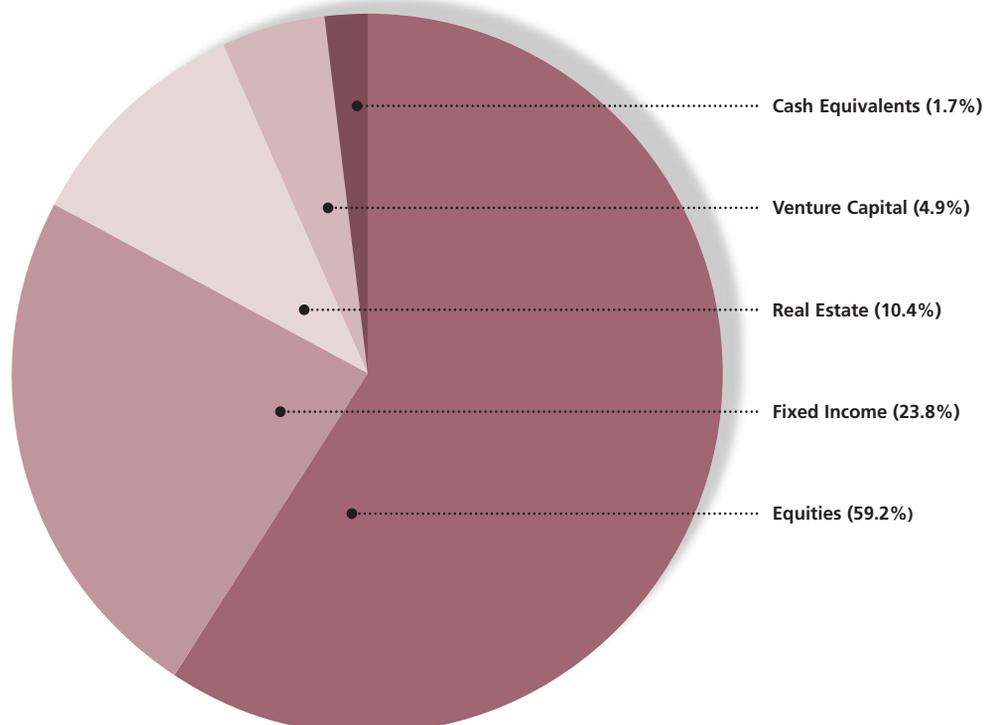
(1) Rate of Return on Smoothed Expected Investment Income—consists of investment income in excess or shortfall of the expected 8% on fair value smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

(2) Rate of Return on Fair Value—consists of cash income plus gains and losses due to changes in market value, whether realized or unrealized.

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

Pension Investment Trust Fund**Investment Highlights** (Continued)**Portfolio Structure
at Fair Value**

December 31, 1997

**PORTFOLIO STRUCTURE
AT FAIR VALUE**

December 31,

	1993	1994	1995	1996	1997
Fixed Income	28.1%	28.9%	28.7%	25.7%	23.8%
Equities	57.4	53.3	55.8	57.9	59.2
Venture Capital	3.2	3.4	3.6	4.0	4.9
Real Estate	5.6	8.2	8.8	9.3	10.4
Cash Equivalents	5.7	6.2	3.1	3.1	1.7
Totals	100.0%	100.0%	100.0%	100.0%	100.0%

1997 Investment Summary

(DOLLARS IN THOUSANDS)

	1997 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	1997 Ending Fair Value	Percentage of Total Fair Value
Short-term securities, domestic	\$ 269,199	5,336,930	5,495,575	—	110,554	1.09%
Short-term securities, international	—	9,305,911	9,242,076	33	63,868	0.63
Bonds, domestic	1,936,411	1,655,002	1,520,051	43,584	2,114,946	20.85
Bonds, international	288,493	649,312	648,779	2,469	291,495	2.87
Equities, domestic	3,463,696	1,332,800	1,028,039	520,934	4,289,391	42.29
Equities, international	1,557,787	1,164,011	833,634	(168,712)	1,719,452	16.95
Venture capital	344,185	167,148	34,448	17,103	493,988	4.87
Real estate	805,463	242,491	82,483	90,555	1,056,026	10.41
Mortgage loans	4,016	—	202	155	3,969	0.04
Totals	\$8,669,250	19,853,605	18,885,287	506,121	10,143,689	100.00%

Pension Investment Trust Fund**List of Largest Assets Held**

December 31, 1997

Largest Stock Holdings (By Fair Value)

Description	Shares	Fair Value
General Electric Co.	620,100	\$45,499,838
Exxon Corp.	613,610	37,545,262
Microsoft Corp.	286,800	37,068,900
International Business Machine Corp.	348,740	36,486,923
Pfizer Inc.	453,400	33,806,638
Intel Corp.	474,500	33,333,625
Travelers Group Inc.	581,961	31,353,168
Coca Cola Corp.	458,000	30,542,875
Security Capital Group Inc.	17,668	27,915,440
Royal Dutch Petro NY Registry	496,800	26,920,350

Largest Bond Holdings (By Fair Value)

Description	Par Value	Fair Value
U.S. Treasury Note 3.656% due 7-15-2002 Rating AAA	\$135,000,000	\$135,525,825
U.S. Treasury Bond 6.75% due 8-15-2026 Rating AAA	60,000,000	66,056,400
Germany (Fed Rep) Bonds 6.0% due 7-4-2007	83,894,000	49,009,904
Treasury 7.25% Stk 2007 GBP due 12-7-2007	25,539,000	44,949,136
U.S. Treasury Bond 7.875% due 2-15-2021 Rating AAA	30,000,000	36,834,300
U.S. Treasury Note 7.75% due 11-30-1999 Rating AAA	35,000,000	36,296,050
U.S. Treasury Note 6.5% due 5-31-2001 Rating AAA	35,000,000	35,831,250
U.S. Treasury Note 6.375% due 3-31-2001 Rating AAA	35,000,000	35,656,250
Nationwide Csn. 9.875% due 2-15-2025 Rating A+	30,000,000	35,381,700
Treasury 8% Stk GBP due 6-7-2021	15,760,000	31,518,154

Pension Investment Trust Fund**Investment Professionals****Investment Advisors****DEFINED BENEFIT PLAN—
EQUITIES**

Abbott Capital
Management, L.P.
1330 Avenue of the
Americas
New York, NY 10019

Baring International
155 Bishopsgate
London, EC2M 3XY
England

Baring Pacific
1901 Edinburgh Tower
15 Queens Road Central
Hong Kong

Capital International
333 South Hope Street
Los Angeles, CA 90071

Cohen & Steers Capital
Management
757 Third Avenue
New York, NY 10017

Dimensional Fund Advisor
Management, L.P.
1299 Ocean Avenue
Santa Monica, CA 90401

Goldman Sachs Asset
Management
One New York Plaza
New York, NY 10004

J.P. Morgan
83 Pall Mall
London, SW1Y 5ES
England

LSV Asset Management
181 West Madison
Chicago, IL 60602

Miller, Anderson &
Sherrard L.L.P.
One Tower Bridge
West Conshohocken,
PA 19428

Schneider Capital
Management
460 East Swedesford Road
Wayne, PA 19087

Schroder International
33 Guter Lane
London, EC2V 8AS
England

Templeton Investment
Counsel, Inc.
500 East Broward Blvd.
Fort Lauderdale, FL 33394

Value Line Asset
Management
220 East 42nd Street
New York, NY 10017

**DEFINED BENEFIT PLAN—
FIXED INCOME**

Rogge Global Partners
5-6 St. Andrews Hill
London, ECAV 5BY
England

**DEFINED BENEFIT PLAN—
REAL ESTATE**

AMB Institutional
Advisors, Inc.
505 Montgomery Street
San Francisco, CA 94111

BNA Realty Advisors
Barlow Nielsen Associates
777 West 200 South,
Suite 200
Salt Lake City, UT 84101

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

CS First Boston Corp.
55 East 52nd Street
New York, NY 10055

Equitable Real Estate
Investment
Management, Inc.
1150 Lake Hearn Dr. N.E.
Atlanta, GA 30326

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

Hancock Timber Resources
Group
P. O. Box 111
Boston, MA 02117

Heitman/JMB Realty Corp.
900 North LaSalle Street
Chicago, IL 60601

Phoenix Realty Advisors
One American Row
Hartford, CT 06115

Security Capital Group, Inc.
125 Lincoln Avenue
Santa Fe, NM 87501

Sentinel Real Estate Corp.
666 Fifth Avenue
New York, NY 10103

Spears, Benzak, Salomon
& Farrell, Inc.
45 Rockefeller Plaza
New York, NY 10111

SSR Realty Advisors
1 California Street
San Francisco, CA 94111

Westmark Realty Advisors
865 South Figueroa Street
Los Angeles, CA 90071

Consultants

Callan Associates
6 Concourse Parkway
Atlanta, GA 30328

Institutional Property
Consultants, Inc.
4330 LaJolla Village Dr.
San Diego, CA 92122

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

Watson Wyatt Investment
Consulting
345 California Street,
Suite 1400
San Francisco, CA 94104

**SCHEDULE OF INVESTMENT FUND
FEES AND COMMISSIONS**

Year Ended December 31, 1997

	(IN THOUSANDS)
Investment advisor fees:	
Equity securities, domestic	\$ 6,587
Equity securities, international	5,500
Bonds, international	891
Portfolio consultants	275
Total investment advisor fees	13,253
Investment brokerage fees	6,114
Total fees and commissions	\$19,367

401(k) and 457 Plans

Investment Highlights

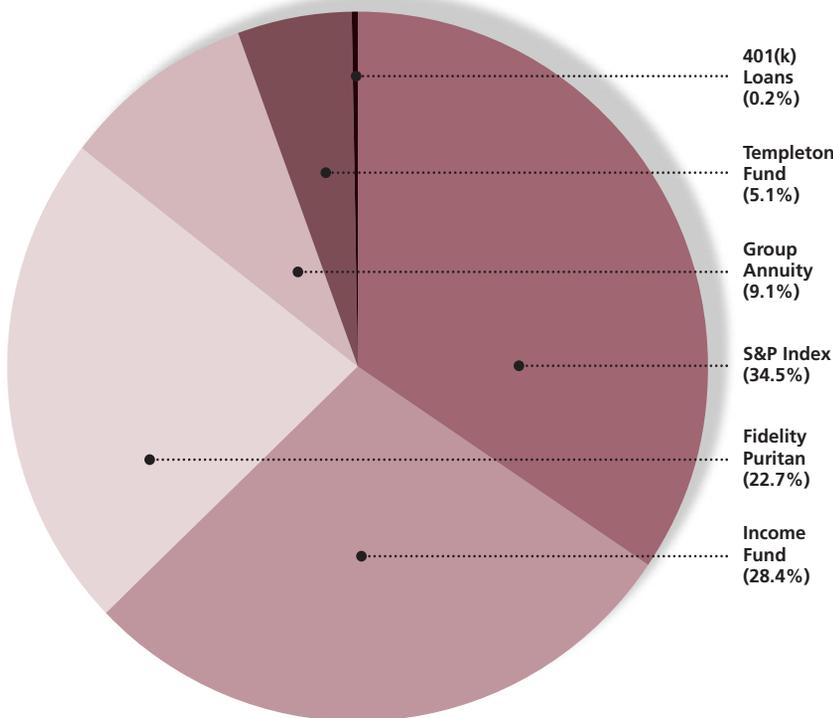
Introduction

Utah Retirement Systems 401(k) Plan and 457 Plan are voluntary tax-deferred retirement savings programs authorized under sections 401(k) and 457 of the Internal Revenue Code. These plans are available to employees of the state, local governmental, and educational employers throughout Utah.

The participants of the plans have a choice of four investment funds in which their monies may be invested. Each participant may choose one or a combination of these funds. In addition there is a group annuity fund that is closed to contributions, but where current balances still exist. The table below shows the number of participants in the various investment funds. The asset graph shows the asset distribution at December 31, 1997.

401(k) and 457 Investments

December 31, 1997



NUMBER OF PARTICIPANTS* BY INVESTMENT FUND

Fund	Participants*
S&P Stock Index Fund	72,911
Income Fund	99,303
Fidelity Puritan Fund	67,027
Group Annuity Fund	28,512
Templeton Fund	44,095

*Some individuals participate in more than one investment fund. There were 113,632 participants as of December 31, 1997 with 104,844 in the 401(k) Plan and 8,788 in the 457 Plan.

Rates of Return

The annualized rates of return shown on the accompanying chart are net, after all costs and fees have been deducted. There are no front-end loads, surrender charges or other hidden fees. All fees are deducted from fund earnings, rather than from the participants' contributions.

401(K) AND 457 PLANS ANNUALIZED RATES OF RETURN AS OF DECEMBER 31, 1997

	12 Month	3 Year	5 Year	10 Year
Investment Funds				
Income Fund	6.3%	6.8%	6.7%	7.4%
Fidelity Puritan Fund	20.5	19.6	16.0	14.9
S&P Stock Index Fund	31.0	30.5	20.1	18.0
Templeton Fund	12.3	17.3	N/A	N/A
<i>The following two funds are closed to future contributions.</i>				
401(k) Group Annuity Fund	6.4	6.1	6.0	7.0
457 Group Annuity Fund	6.4	6.1	5.9	7.3
Market Index (for comparison only)				
U.S. Treasury Bills Index	5.4	5.5	4.8	5.6
Gov't—Corp Bond Index	9.8	10.4	7.6	9.2
S&P Stock Index	33.2	31.1	20.2	18.0
MSCI World Index	16.2	17.1	15.9	11.1

401(k) and 457 Plans**Investment Highlights** (Continued)**Investment Options**

The following investment options were available during 1997.

S&P STOCK INDEX FUND

All amounts were invested by the Utah Retirement Systems' investment staff.

INCOME FUND

The Income Fund is invested by American Express Trust Company.

FIDELITY PURITAN FUND

All amounts were invested by Fidelity Investments in the Puritan Fund.

GROUP ANNUITY FUND

The Group Annuity Fund is an annuity contract with Beneficial Life Insurance Company which has been closed to new contributions. Money is invested in the general account of Beneficial Life.

TEMPLETON INSTITUTIONAL GROWTH SERIES FUND

The Templeton Institutional Growth Series Fund (Templeton Fund) is invested by the Franklin/Templeton Group. This fund may invest in common stocks and debt obligations of companies and governments of any nation.

401(k) and 457 Investment Advisors

American Express Trust Co.
1200 Northstar West
Minneapolis, MN 55440

Beneficial Life Insurance Co.
Beneficial Life Tower
36 South State Street
Salt Lake City, UT 84136

Fidelity Investments
6312 South Fiddler's Green Circle
Englewood, CO 80111

Franklin Templeton
Institutional Services
P. O. Box 7777
San Mateo, CA 94403

**401(K) AND 457 PLANS
ASSET MIX AT DECEMBER 31, 1997**

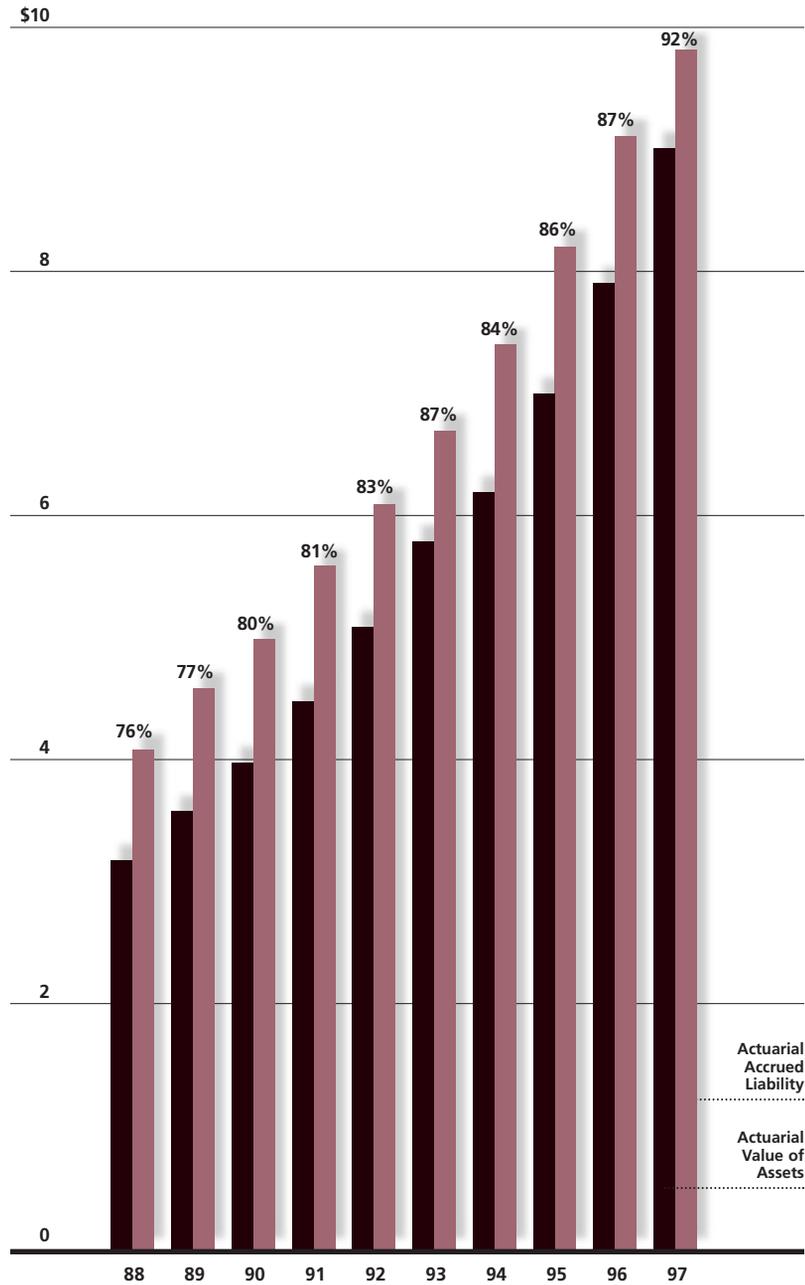
Investment Type	Insurance Policies	Income Fund	Group Annuity Fund	Fidelity Puritan Fund	S&P Stock Index Fund	401(k) Loan Fund	Templeton Fund
Equities	—	—	5.4%	59.9%	99.6%	—	52.4%
Convertibles	—	—	—	0.8	—	—	—
Bonds, Mortgages	—	76.4%	94.2	32.3	—	—	1.0
Loans	—	—	—	—	—	100.0%	—
Life Insurance Policies	31.9%	—	—	—	—	—	—
Individual Annuity Policies	68.1	—	—	—	—	—	—
Cash and Short-term Investments	—	—	0.4	7.0	0.4	—	46.6
Guaranteed Investment Contracts	—	23.6	—	—	—	—	—
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**401(K) AND 457 PLANS
1997 INVESTMENT SUMMARY**

(DOLLARS IN THOUSANDS)

	1997 Beginning Fair Value	Purchases	Sales & Redemptions	Increase in Fair Value	1997 Ending Fair Value	Percentage of Total Fair Value
Short-term securities	\$ 3,080	48,282	50,184	—	1,178	0.12%
Equities, domestic	416,204	109,682	4,174	91,876	613,588	61.85
Investment contracts	368,224	58,126	51,234	2,227	377,343	38.03
Totals	\$787,508	216,090	105,592	94,103	992,109	100.00%

(IN BILLIONS)



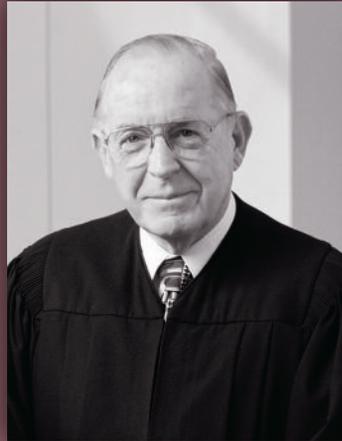
Funding Progress with Funding Ratios

ALL RETIREMENT SYSTEMS

(DOLLARS IN BILLIONS)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Actuarial Value of Assets	\$ 3.2	3.6	4.0	4.5	5.1	5.8	6.2	7.0	7.9	9.0
Actuarial Accrued Liability	4.1	4.6	5.0	5.6	6.1	6.7	7.4	8.2	9.1	9.8
Funding Ratios	76%	77%	80%	81%	83%	87%	84%	86%	87%	92%

Utah Retirement Systems
1997 Comprehensive Annual Financial Report



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Actuary's Certification Letter



August 14, 1997

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

Dear Members of the Board:

Watson Wyatt & Company

Suite 2400
2121 San Jacinto Street
Dallas, TX 75201-2772

Telephone 214 978 3400
Fax 214 978 3650

Certification of 1997 Actuarial Valuation

The actuarial valuation report describes the current actuarial condition of the Utah Retirement Systems (URS), determines the recommended employer contribution rates, and analyzes changes in these contribution rates. Valuations are prepared annually, as of January 1, the first day of the URS plan year.

Under URS statutes, employer contribution rates are certified annually by the Board of Trustees. These rates are determined actuarially, based on the Board's funding policy. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. For example, the rates determined by this January 1, 1997 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 1998 and ending June 30, 1999. If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the recommended rates before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Financing objectives and new funding policy

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

- ◆ to set rates so that the unfunded actuarial accrued liability (UAAL) will be amortized over a 30-year period beginning January 1, 1990—i.e., over a 23-year period from the current valuation date
- ◆ to set rates so that they remain relatively level over time.

To accomplish this, the Board adopted a funding policy in 1990 which required that the employer contribution rate be 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 by January 1, 2020 (i.e., in 30 years) in installments which increase at 5.25% per year. The 5.25% rate represents the assumed rate of growth in payroll for URS, and it is composed of an assumed 4.00% inflation rate and a 1.25% rate of growth in the number of members. The resulting contribution rate is the Board's "old policy rate."

In 1996, the Board modified this policy so that the rate certified to the employers is a function of the old policy rate and three other rates: (i) the rate paid by the employer in the prior year, adjusted for new legislation, (ii) the minimum Annual Required Contribution (ARC) under Governmental Accounting Standards Board Statement No. 25 (GASB 25), and (iii) a new "target rate," computed like the old policy rate, but using a 4.00%, inflation-only payroll growth assumption. Under the new policy, the Board certifies the rate which is the largest of the rate actually paid in the prior year, the minimum GASB 25 ARC and the old policy rate, but not more than the new target rate.

This new policy reduces year-to-year volatility of the contribution rates somewhat, and allows the Board to transition slowly to the use of an inflation-only payroll growth rate. This approach is somewhat conservative, because actuarial gains are not used to lower the contribution rate until the target rate is less than the rate being paid. Using an inflation-only payroll growth rate is also consistent with GASB 25, which prohibits anticipating future membership growth in determining the minimum ARC. Under this policy, the objectives of amortizing the UAAL by 2020 and maintaining relatively level contribution rates over time are achieved.

Progress toward realization of financing objectives

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



of the funds in URS, the funded ratio increased since the last valuation, although a few decreased slightly. Most of the decreases were in public safety funds with large compensation increases since the last valuation (Logan, Ogden, Bountiful). For all systems combined, the funded ratio increased from 85.5% to 86.8%. In 1990, the funded ratio for all systems combined was 76.9%, so significant progress has been made over the last seven years, even though a number of benefit increases have been granted during that time, and even though the 3% substantial substitute was added as a URS liability. Without the 3% substantial substitute, the overall funded ratio would have been 89.5%.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 1997, or which were adopted by the end of the 1997 legislative session and are effective on or before July 1, 1998.

Two material changes were made to the provisions since the preceding valuation:

- ◆ The death benefit for active members of the Noncontributory Public Employees Retirement System with over 15 years of service was modified. Previously, a spouse's annuity benefit was available only if the member had at least 25 years of service or was eligible for reduced or unreduced retirement. Under HB 6, passed in the 1997 legislative session, the spouse of a member who (i) has at least 15 but less than 25 years of service, and (ii) was not already eligible for retirement, will be entitled to a reduced spouse's annuity benefit.
- ◆ A Noncontributory Judges Retirement System was established. Effective as of July 1, 1997, all new judges will be required to join this system, instead of the current contributory system. Present members will be allowed to switch from the current system to the new noncontributory system between July 1, 1997 and December 31, 1997. All benefit provisions of the two systems are identical. The employer contribution rate for the Noncontributory Judges Retirement System is equal to the sum of the member and employer rates for the Contributory Judges Retirement System.

Assumptions and methods

Actuarial assumptions and methods used in the valuation are set by the Board, based upon the recommendations of the actuary. The actuary reviews actual plan experience before making these recommendations. The last complete review of actuarial assumptions was carried out in connection with the January 1, 1995 actuarial valuation, and a number of changes were made at that time. The termination rates were reviewed again in connection with the January 1, 1996 actuarial valuation, additional changes were recommended, and these were adopted. The next complete review is scheduled in connection with the January 1, 1998 actuarial valuation.

It is our opinion that the assumptions are internally consistent and are reasonably based on past and anticipated future experience of the System.

Data

Member data for retired, active and inactive members was supplied as of December 31, 1996 by the System's staff. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. Asset information as of December 31, 1996 was supplied by the auditors and by the Systems' staff.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 1997. We prepared the accompanying Summary of Actuarial Assumptions and Methods, but the URS staff prepared the other supporting schedules in this section and the trend tables in the financial section, based on information supplied in our report. The staff rolls forward to December 31 the actuarial liabilities supplied in our report as of January 1, and the staff computes the actuarial value of assets as of December 31. These procedures have been reviewed by us and found reasonable. Information shown for years prior to 1991 is based on the work of the prior actuaries.

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. Both are Enrolled Actuaries and Members of the American Academy of Actuaries, and both are experienced in performing valuations for large public retirement systems.

Sincerely,


J. Christian Conradi, ASA, EA, MAAA
Actuary


W. Michael Carter, FSA, EA, MAAA
Actuary

Summary of Actuarial Assumptions and Methods

As of January 1, 1997

a) The employer contribution rates recommended as a result of the January 1, 1997 actuarial valuations are as follows:

Systems

Noncontributory Retirement System

State and Schools	*14.16%
Local Governmental	10.74

Contributory Retirement System

State and Schools	*9.67%
Local Governmental	6.73

Firefighters Retirement System

Division A	0.00%
Division B	4.74

Judges Retirement System

	*11.00%
--	---------

Public Safety Retirement System

Contributory

State	*12.26%
Other Division A	5.87
Bountiful	10.36
Salt Lake City	21.82
Ogden	12.90
Provo	12.81
Logan	7.76
Other Division B	7.11

Noncontributory

State	*23.07%
Other Division A	17.34
Bountiful	21.98
Salt Lake City	33.68
Ogden	25.49
Other Division B	17.07

*Includes substantial substitute contribution

b.) The actuarial valuation was prepared using the entry age actuarial cost method. As described in the certification letter, actual contribution rates are set as a function of several other calculated rates. However, the contribution rate will not be less than the amount needed to amortize the unfunded actuarial accrued liability of each System over a 30-year period from January 1, 1990 (23 years from January 1, 1997). In calculating this minimum, amortization payments are designed to remain level as a percent of payroll, and payroll is assumed to increase 5.25% per year (4.00% from inflation and 1.25% from membership growth). Under this method, actuarial gains and losses are identified and amortized as part of the

unfunded actuarial accrued liability over the remainder of the original 30-year period.

c.) The future investment earnings of the assets of the Systems are assumed to accrue at an annual rate of 8%, compounded annually. This rate is made up of a 4% assumed inflation rate and a 4% assumed real rate of return. This assumption was adopted January 1, 1995.

d.) The total rates of assumed annual salary increase are shown on the actuarial schedule on page 87. The rates include increases due to promotion and longevity and a 4% per annum rate of increase in the general wage level of the membership. Salaries of judges are assumed to increase at 5.25%.

e.) Post retirement benefit increases are based on the Consumer Price Index, limited by the provisions of each System. For members of the Public Safety Retirement System, annual increases are assumed to be 2.5%. All other Systems' annual increases are assumed to be 4%. Increases are based on the member's original retirement allowance except in the Judges Retirement System, where increases are compounded.

f.) Tables of mortality rates for members retired for service and beneficiaries were developed from standard mortality tables. The mortality basis is dependent upon the member's class and gender as shown below. These rates were adopted January 1, 1995. Mortality rates for active members were developed from actual experience of that group.

Retired Member Mortality

Class of Member

Educators

Men	IAM (-1)
Women	GAM (-1)

Public Safety and Firefighters

Men	GAM (-1)
Women	GAM (-1)

Local Governmental, Public Employees and All Beneficiaries

Men	GAM (-2)
Women	GAM (-1)

GAM (xx) = 1983 Group Annuity Mortality Table adjusted xx years, and IAM (xx) = 1983 Individual Annuity Mortality Table adjusted xx years.

g.) Mortality among disabled members is based on a special 1981 Disability Table developed by a previous actuary from the Systems' experience. These rates were adopted January 1, 1990.

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

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

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

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

j.) All of the actuarial assumptions, except for the assumed rates of termination, were adopted by the Retirement Board in 1995. The assumptions adopted were recommended by the actuary following the last complete analysis of plan experience. Plan experience related to the termination assumption was reviewed again in 1996, new termination assumptions were recommended by the actuary and these were adopted by the Board.

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 1997

Percent Retiring Within Next Year Among Active Members									
Eligible for Retirement With 30 or More Years of Service									
Male									
Female									
Retirement Age	State and School Division			Local Governmental Division	State and School Division			Local Governmental Division	Governors and Legislative Pension Plan
	Educators	Public Employees	Public Employees		Educators	Public Employees	Public Employees		
Contributory and Noncontributory Retirement Systems <i>Adopted January 1, 1995</i>	55	12.00%	10.00%	12.00%	12.00%	10.00%	12.00%	0.00%	
	56	14.00	10.00	12.00	14.00	10.00	12.00	0.00	
	57	16.00	10.00	12.00	16.00	10.00	12.00	0.00	
	58	18.00	10.00	12.00	18.00	10.00	12.00	0.00	
	59	20.00	10.00	12.00	20.00	10.00	12.00	0.00	
	60	25.00	20.00	12.00	25.00	20.00	12.00	0.00	
	61	35.00	30.00	30.00	25.00	25.00	25.00	0.00	
	62	45.00	40.00	40.00	40.00	40.00	30.00	100.00	
	63	35.00	30.00	25.00	30.00	30.00	25.00	100.00	
	64	40.00	40.00	35.00	35.00	40.00	35.00	100.00	
	65	45.00	50.00	50.00	40.00	40.00	40.00	100.00	
	66	35.00	20.00	25.00	35.00	20.00	20.00	100.00	
	67	35.00	20.00	25.00	35.00	20.00	20.00	100.00	
	68	35.00	20.00	25.00	35.00	20.00	20.00	100.00	
	69	35.00	20.00	25.00	35.00	20.00	20.00	100.00	
	70	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age
Public Safety Retirement System <i>Adopted January 1, 1993</i>	45	16.00%	52	17.00%	59	27.00%
	46	16.00	53	18.00	60	30.00
	47	16.00	54	19.00	61	35.00
	48	16.00	55	20.00	62	40.00
	49	16.00	56	21.00	63	45.00
	50	16.00	57	22.00	64	50.00
	51	17.00	58	24.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age
Firefighters Retirement System <i>Adopted January 1, 1993</i>	45	3.60%	52	15.70%	59	24.50%
	46	5.40	53	16.60	60	27.30
	47	7.40	54	17.30	61	30.20
	48	9.40	55	18.00	62	33.30
	49	11.20	56	19.00	63	36.40
	50	13.00	57	20.30	64	39.30
	51	14.50	58	22.20	65	100.00

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

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 1997

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

	Retirement Age	Other Termination of Employment Percent of Active Members Separating Within Next Year						Governors and Legislative Pension Plan
		Male			Female			
		State and School Division		Local Governmental Division	State and School Division		Local Governmental Division	
		Educators	Public Employees		Educators	Public Employees		
During the First Year of Service								
Contributory and Noncontributory Retirement Systems	25	14.98%	29.86%	18.84%	18.71%	25.69%	27.66%	10.00%
<i>Adopted January 1, 1995</i>	30	12.68	24.51	15.88	13.15	23.12	25.72	10.00
	35	11.95	21.32	13.73	10.18	20.35	23.52	10.00
	40	11.30	19.24	12.35	9.84	17.62	21.25	10.00
	45	11.52	17.45	11.84	9.41	15.26	19.22	10.00
	50	13.43	15.55	12.28	8.49	13.59	17.99	10.00
	55	17.64	13.43	13.83	6.92	12.86	18.25	10.00
	60	18.53	11.16	14.52	7.27	13.33	20.66	10.00
During the Sixth and Subsequent Years of Service								
Contributory and Noncontributory Retirement Systems	25	6.29%	10.01%	8.15%	10.81%	15.78%	13.16%	10.00%
<i>Adopted January 1, 1995</i>	30	4.30	7.02	6.05	6.94	10.02	8.95	10.00
	35	2.90	4.88	4.63	4.32	6.38	6.18	10.00
	40	2.08	3.47	3.81	2.87	4.44	4.73	10.00
	45	1.62	2.57	3.34	2.27	3.42	4.22	10.00
	50	1.25	2.05	3.11	2.03	2.89	4.21	10.00
	55	0.93	2.04	3.36	2.02	2.82	4.32	10.00
	60	0.98	2.74	3.52	2.12	3.17	4.43	10.00
Public Safety Retirement System								
	Age	During the First Year		During the Sixth and Subsequent Years				
<i>Adopted January 1, 1995</i>	25	11.95%		7.70%				
	30	11.40		5.21				
	35	12.53		3.42				
	40	15.22		2.28				
	45	19.28		1.69				
	50	24.51		1.44				
	55	30.71		1.43				
	60	37.77		1.56				
Firefighters Retirement System								
	Age	During the First Year		During the Sixth and Subsequent Years				
<i>Adopted January 1, 1995</i>	25	12.43%		1.50%				
	30	9.98		1.40				
	35	7.52		1.30				
	40	5.21		0.70				
	45	7.22		0.49				
	50	11.01		0.27				
	55	16.84		0.09				
	60	24.71		0.13				
Judges Retirement System								
	None assumed.							

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 1997

	Total Annual Increase in Salary (Male and Female)					
	Years of Service	State and School Division		Local Governmental Division	Public Safety Retirement System	Firefighters Retirement System
		Educators	Public Employees			
All Retirement Systems	0	14.75%	12.75%	10.75%	10.25%	13.25%
<i>Adopted January 1, 1995</i>	1	12.75	10.75	9.00	7.75	12.00
	2	9.50	8.25	8.25	6.25	9.00
	3	8.75	7.25	7.75	6.25	8.00
	4	8.00	6.75	7.25	6.00	7.75
	5	7.75	6.50	7.00	6.00	7.50
	6	7.50	6.25	6.50	5.75	7.25
	7	7.00	5.75	6.00	5.50	6.75
	8	6.75	5.50	5.75	5.50	6.50
	9	6.50	5.25	5.75	5.00	6.50
	10	6.25	5.25	5.75	5.00	6.50
	11	6.00	5.00	5.50	4.75	6.50
	12	5.75	5.00	5.50	4.75	6.50
	13	5.25	4.75	5.25	4.75	6.50
	14	4.75	4.50	5.25	4.75	6.50
	15	4.25	4.25	4.25	4.25	4.25

	Probability Mortality Within the Next Year for Active Members					
	Age	Male			Female	
		Educators	Local Governmental and Public Employees		Educators	Local Governmental and Public Employees
Contributory and Noncontributory Retirement Systems	20	0.0249%		0.0919%	0.0674%	0.0529%
<i>Adopted January 1, 1991</i>	25	0.0228		0.0682	0.0273	0.0481
	30	0.0251		0.0824	0.0122	0.0509
	35	0.0323		0.1205	0.0263	0.0619
	40	0.0598		0.1542	0.0632	0.0841
	45	0.1022		0.1891	0.1157	0.1234
	50	0.1974		0.2766	0.1787	0.1864
	55	0.3584		0.4670	0.2463	0.2787
	60	0.5674		0.7627	0.3411	0.4021
	65	0.7234		1.1600	0.4741	0.5543
	70	0.8027		1.6626	0.6505	0.7333

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

	Probability Mortality Within the Next Year for Active Members				Percent Electing a Refund of Contributions Upon Termination While Vested	
	Public Safety and Firefighters Employees				Years of Service	Public Safety and Firefighters Retirement Employees
	Age	Age				
Public Safety Retirement System and Firefighters Retirement System	20	0.0807%	50	0.3233%	0-3	100%
<i>Adopted January 1, 1991</i>	25	0.0768	55	0.4966	4	76
	30	0.0762	60	0.6830	5	74
	35	0.0800	65	0.8625	10	57
	40	0.1109	70	1.0327	15	35
	45	0.1899			19	15
					20	0

Member and Employer Contribution Rates

As of December 31

System	Year	Contributory			Noncontributory	
		Member	Employer	Employer	Employer	Employer
Contributory and Noncontributory Retirement			<i>State and School</i>	<i>Local Governmental</i>	<i>State and School</i>	<i>Local Governmental</i>
	1988	6.00%	7.11%	3.65%	11.68%	7.54%
	1989	6.00	6.37	2.20	11.35	6.80
	1990	6.00	6.91	2.25	11.89	6.85
	1991	6.00	8.95	4.27	13.51	8.26
	1992	6.00	7.88	3.44	12.20	7.16
	1993	6.00	7.92	3.98	12.24	7.80
	1994	6.00	8.68	4.81	13.00	8.63
	1995	6.00	8.65	4.86	12.97	8.68
	1996	6.00	9.67	6.42	13.99	10.24
1997	6.00	9.67	6.50	14.16	10.51	

System	Year	Division A				Division B		All Divisions Fire Insurance Premium Tax
		With Offset		Without Offset		Member	Employer	
		Member	Employer	Member	Employer			
Firefighters Retirement	1988	13.31%	4.39%	13.31%	5.56%	14.81%	11.15%	6.25%
	1989	13.31	4.39	13.31	5.56	14.81	11.15	6.25
	1990	—	—	13.31	5.56	14.81	11.15	6.25
	1991	—	—	13.31	0.02	14.81	7.50	6.25
	1992	—	—	13.31	—	14.81	7.38	5.18
	1993	—	—	13.31	—	14.81	5.73	6.09
	1994	—	—	13.31	—	16.71	5.68	6.14
	1995	—	—	13.31	—	16.71	3.50	7.31
	1996	—	—	13.31	—	16.71	6.64	7.98
	1997	—	—	13.31	—	16.71	6.43	8.19

(DOLLARS IN THOUSANDS)

System	Year	Judges			Governors and Legislative Appropriation	
		Member	Contributory	Noncontributory		
			Employer	Employer		Court Fees
Judges Contributory and Governors and Legislative Pension Plan	1988	8.00%	1.32%	—	17.50%	\$100
	1989	8.00	1.32	—	17.50	100
	1990	8.00	1.32	—	17.50	100
	1991	8.00	4.38	—	21.00	76
	1992	8.00	5.88	—	24.57	—
	1993	8.00	6.44	—	27.22	—
	1994	8.00	8.87	—	26.02	—
	1995	8.00	9.31	—	26.11	—
	1996	8.00	10.70	—	25.62	—
	1997	8.00	12.21	20.21%	24.11	—

Member and Employer Contribution Rates (Continued)

As of December 31

System	Year	*State of Utah		Other Division A		Corrections		Bountiful			
		Member	Employer	Member	Employer	Member	Employer	Member	Employer		
Public Safety Retirement Contributory Division A	1988	14.44%	10.75%	12.29%	5.87%	12.09%	6.07%	11.94%	5.59%		
	1989	14.44	12.91	12.29	5.43	12.09	5.36	11.94	5.59		
	1990	12.09	10.49	12.29	5.43	—	—	11.94	5.59		
	1991	12.09	10.49	12.29	7.00	—	—	11.94	5.61		
	1992	12.29	8.07	12.29	3.11	—	—	11.94	4.27		
	1993	12.29	6.75	12.29	1.70	—	—	11.94	3.21		
	1994	12.29	7.53	12.29	1.48	—	—	11.94	0.94		
	1995	12.29	10.77	12.29	3.82	—	—	11.94	10.54		
	1996	12.29	10.82	12.29	3.72	—	—	11.94	5.77		
	1997	12.29	12.26	12.29	5.62	—	—	11.94	8.98		
Public Safety Retirement Noncontributory Division A	1989	—	19.21%	—	16.11%	—	—	—	16.59%		
	1990	—	19.21	—	16.11	—	—	—	16.59		
	1991	—	21.60	—	18.28	—	—	—	16.83		
	1992	—	16.54	—	11.95	—	—	—	13.13		
	1993	—	15.76	—	11.40	—	—	—	12.81		
	1994	—	17.96	—	12.68	—	—	—	14.80		
	1995	—	21.19	—	15.22	—	—	—	18.36		
	1996	—	20.60	—	14.47	—	—	—	16.97		
1997	—	22.94	—	17.09	—	—	—	20.65			
Public Safety Retirement Contributory Division B	1988	13.74%	15.26%	13.18%	10.24%	11.13%	8.27%	13.54%	13.46%	10.50%	7.59%
	1989	13.74	16.14	13.18	10.24	11.13	8.27	13.54	13.46	10.50	7.59
	1990	13.74	17.43	13.18	10.24	11.13	8.27	13.54	13.46	10.50	7.59
	1991	13.74	21.29	13.18	14.65	11.13	12.98	13.54	14.80	10.50	10.04
	1992	13.74	19.40	13.18	10.91	11.13	9.72	13.54	10.92	10.50	5.43
	1993	13.74	18.57	13.18	9.60	11.13	8.38	13.54	10.23	10.50	4.27
	1994	13.74	0.00	13.18	9.68	11.13	7.22	13.54	10.68	10.50	4.27
	1995	13.74	0.00	13.18	10.52	11.13	4.90	13.54	10.37	10.50	4.48
	1996	13.74	20.38	13.18	12.65	11.13	4.65	13.54	11.03	10.50	5.27
	1997	13.74	21.82	13.18	12.65	11.13	6.72	13.54	12.81	10.50	7.55
	Public Safety Retirement Noncontributory Division B	1989	—	28.77%	—	—	—	—	—	—	—
1990		—	30.06	—	—	—	—	—	—	—	16.72
1991		—	34.20	—	—	—	—	—	—	—	19.53
1992		—	28.44	—	—	—	—	—	—	—	14.25
1993		—	29.01	—	—	—	—	—	—	—	13.71
1994		—	31.97	—	22.13%	—	—	—	—	—	15.01
1995		—	31.70	—	22.62	—	—	—	—	—	15.15
1996		—	31.51	—	24.03	—	—	—	—	—	15.94
1997	—	33.68	—	24.77	—	—	—	—	—	17.29	

*Effective in 1989 all State public safety divisions were combined into one division. Prior to 1989 Highway Patrol and Division of Corrections were separate divisions with separate contribution rates.

Solvency Tests

(DOLLARS IN THOUSANDS)

System	Date	(1) Active Members Contributions	(2) Retired and Beneficiaries
Contributory Retirement System	1/01/89	\$314,564	557,961
	1/01/90	346,759	608,992
	1/01/91	260,955	571,914
	1/01/92	230,415	570,001
	1/01/93	252,922	572,403
	1/01/94	284,672	561,683
	1/01/95	316,556	564,284
	1/01/96	247,639	543,628
	1/01/97	183,996	523,025
	12/31/97	199,373	507,373
Noncontributory Retirement System	1/01/89	\$492,371	766,211
	1/01/90	518,321	848,953
	1/01/91	649,425	881,401
	1/01/92	729,541	1,028,026
	1/01/93	754,440	1,193,366
	1/01/94	769,814	1,387,085
	1/01/95	783,653	1,619,632
	1/01/96	888,824	1,965,816
	1/01/97	980,171	2,273,016
	12/31/97	989,386	2,582,117
Public Safety Retirement System	1/01/89	\$ 63,046	149,050
	1/01/90	78,126	176,230
	1/01/91	77,095	181,654
	1/01/92	77,963	201,066
	1/01/93	78,669	221,777
	1/01/94	86,114	253,776
	1/01/95	87,197	283,273
	1/01/96	85,516	323,064
	1/01/97	85,985	355,291
	12/31/97	88,297	387,160
Firefighters Retirement System	1/01/89	\$ 26,824	76,481
	1/01/90	30,074	85,017
	1/01/91	33,257	95,581
	1/01/92	36,999	101,003
	1/01/93	40,767	108,190
	1/01/94	45,219	123,902
	1/01/95	49,567	140,965
	1/01/96	53,247	155,538
	1/01/97	57,579	169,852
	12/31/97	61,247	192,762
Judges Retirement System	1/01/89	\$ 3,683	8,446
	1/01/90	4,104	8,758
	1/01/91	4,897	9,254
	1/01/92	5,373	12,818
	1/01/93	5,067	20,766
	1/01/94	5,274	24,938
	1/01/95	5,439	29,339
	1/01/96	6,189	30,573
	1/01/97	7,348	31,108
	12/31/97	7,566	36,408
Governors and Legislative Pension Plan	*1/01/90	\$ 262	2,533
	1/01/91	336	2,565
	1/01/92	266	3,189
	1/01/93	262	3,505
	1/01/94	263	3,475
	1/01/95	254	3,958
	1/01/96	250	4,111
	1/01/97	224	4,429
		12/31/97	227

*Information prior to 1990 is not available.

Actuarial Accrued Liability

(3) Active Member (Employer Financed Portion)	(4) Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Portion of Actuarial Accrued Liability Covered by Assets			
			(1)	(2)	(3)	(4)
330,139	1,202,664	897,600	100%	100%	8%	75%
280,174	1,235,925	954,900	100	100	0	77
227,939	1,060,808	837,797	100	100	2	79
215,611	1,016,027	822,863	100	100	10	81
228,838	1,054,163	835,299	100	100	4	79
252,807	1,099,162	911,717	100	100	26	83
295,382	1,176,222	964,218	100	100	28	82
201,107	992,374	852,340	100	100	30	86
161,702	868,723	772,977	100	100	41	89
176,630	883,376	833,244	100	100	72	94
1,016,973	2,275,555	1,808,800	100%	100%	54%	79%
1,365,856	2,733,130	2,096,939	100	100	53	77
1,696,723	3,227,549	2,594,245	100	100	63	80
2,042,038	3,799,605	3,041,640	100	100	63	80
2,238,937	4,186,743	3,480,582	100	100	68	83
2,467,616	4,624,515	4,039,120	100	100	76	87
2,802,588	5,205,873	4,372,190	100	100	70	84
3,177,772	6,032,412	5,136,582	100	100	72	85
3,664,771	6,917,958	5,969,813	100	100	74	86
3,960,901	7,532,404	6,898,683	100	100	84	92
228,846	440,942	298,315	100%	100%	38%	68%
183,318	437,674	330,407	100	100	41	75
205,884	464,633	381,501	100	100	60	82
227,547	506,576	433,651	100	100	68	86
257,218	557,664	485,861	100	100	72	87
287,468	627,358	555,514	100	100	75	89
320,637	691,107	596,892	100	100	71	86
362,570	771,150	670,610	100	100	72	87
425,228	866,504	755,106	100	100	74	87
461,626	937,083	867,181	100	100	85	93
84,327	187,632	134,500	100%	100%	37%	72%
76,772	191,863	149,672	100	100	45	78
80,559	209,397	171,739	100	100	53	82
89,913	227,915	192,866	100	100	61	85
88,795	237,752	213,159	100	100	72	90
109,963	279,084	243,228	100	100	67	87
116,927	307,459	261,523	100	100	61	85
124,647	333,432	293,816	100	100	68	88
134,980	362,411	329,475	100	100	76	91
136,247	390,256	376,191	100	100	90	96
9,377	21,506	16,400	100%	100%	46%	76%
12,538	25,400	19,127	100	100	50	75
16,237	30,388	22,242	100	100	50	73
20,779	38,970	26,167	100	100	38	67
14,761	40,594	30,254	100	100	30	75
15,419	45,631	35,479	100	100	34	78
15,052	49,830	38,726	100	100	26	78
19,190	55,952	44,304	100	100	39	79
21,599	60,055	50,721	100	100	57	84
21,899	65,873	59,375	100	100	70	90
1,929	4,724	6,007	100%	100%	167%	127%
2,256	5,157	6,355	100	100	153	123
2,262	5,717	6,790	100	100	147	119
2,383	6,150	7,122	100	100	141	116
2,378	6,116	7,683	100	100	166	126
2,394	6,606	7,804	100	100	150	118
2,492	6,853	8,185	100	100	153	119
2,367	7,020	8,636	100	100	168	123
2,215	7,060	9,319	100	100	202	132

Schedules of Active Member Valuation Data

Year Ended December 31

System	Year	Number of Participating Employers	Active Members	Active Members			Inflation Increase (CPI)
				Annual Payroll	Average Pay	Percent Increase	
Contributory Retirement System	1988	304	24,090	\$ 465,490,000	19,470	4.48%	4.40%
	1989	302	21,980	449,350,000	20,525	5.42	4.60
	1990	304	14,477	414,917,000	21,668	5.57	6.10
	1991	304	12,809	305,400,000	23,172	6.94	3.10
	1992	299	11,952	286,183,000	24,636	6.32	2.90
	1993	299	11,423	293,833,000	25,629	4.03	2.70
	1994	245	10,622	287,743,000	27,347	6.70	2.70
	1995	231	7,419	261,685,000	28,013	2.44	2.50
	1996	225	4,830	141,974,000	29,081	3.81	3.30
1997	209	4,522	138,231,000	30,860	6.12	1.70	
Noncontributory Retirement System	1988	249	44,587	\$ 808,029,000	20,420	6.12%	4.40%
	1989	254	49,034	945,917,000	20,753	1.63	4.60
	1990	295	58,922	1,004,462,000	21,456	3.39	6.10
	1991	303	63,000	1,277,671,000	22,501	4.87	3.10
	1992	307	65,777	1,381,842,000	23,737	5.49	2.90
	1993	314	66,479	1,477,220,000	24,682	3.98	2.70
	1994	322	67,181	1,642,123,000	25,627	3.83	2.70
	1995	331	70,838	1,801,948,000	26,951	5.17	2.50
	1996	336	73,652	2,054,879,000	28,580	6.04	3.30
1997	344	75,599	2,200,988,000	30,013	5.01	1.70	
Public Safety Retirement System	1988	104	4,091	\$ 99,984,000	24,727	0.63%	4.40%
	1989	104	4,276	101,902,000	24,977	1.01	4.60
	1990	106	4,606	110,363,000	25,360	1.53	6.10
	1991	109	4,819	123,595,000	26,149	3.11	3.10
	1992	112	5,010	120,904,000	28,059	7.30	2.90
	1993	115	5,120	138,954,000	28,760	2.50	2.70
	1994	116	5,132	148,791,000	29,462	2.44	2.70
	1995	117	5,471	159,943,000	29,824	1.23	2.50
	1996	115	5,736	176,979,000	31,429	5.38	3.30
1997	116	6,041	195,464,000	32,885	4.63	1.70	
Firefighters Retirement System	1988	24	1,010	\$ 29,136,000	28,381	3.65%	4.40%
	1989	26	1,006	29,407,000	28,626	0.86	4.60
	1990	27	1,038	30,912,000	29,762	3.97	6.10
	1991	27	1,053	33,227,000	31,595	6.16	3.10
	1992	28	1,092	36,517,000	32,905	4.15	2.90
	1993	29	1,104	37,879,000	34,215	3.98	2.70
	1994	27	1,099	40,157,000	36,454	6.54	2.70
	1995	28	1,173	43,027,000	37,258	2.21	2.50
	1996	28	1,224	45,969,000	38,062	2.16	3.30
1997	33	1,281	51,287,000	39,695	4.29	1.70	
Judges Retirement System	1988	1	86	\$ 4,762,000	54,022	8.02%	4.40%
	1989	1	91	5,625,000	59,009	9.23	4.60
	1990	1	87	6,450,000	67,437	14.28	6.10
	1991	1	89	6,975,000	70,417	4.42	3.10
	1992	1	81	6,538,000	74,515	5.82	2.90
	1993	1	86	7,013,000	82,123	10.21	2.70
	1994	1	85	6,955,000	85,572	4.20	2.70
	1995	1	99	7,903,000	88,201	3.07	2.50
	1996	1	100	8,981,000	90,350	2.44	3.30
1997	1	102	9,286,000	92,532	2.42	1.70	
Governors and Legislative Pension Plan	*1989	1	75	\$ 279,000	3,720	1.63%	4.60%
	1990	1	76	288,000	3,789	1.87	6.10
	1991	1	76	238,000	3,132	(17.36)	3.10
	1992	1	87	254,000	2,920	(6.77)	2.90
	1993	1	84	246,000	2,929	0.31	2.70
	1994	1	84	398,000	3,825	30.61	2.70
	1995	1	95	398,000	3,825	0.00	2.50
	1996	1	95	482,000	4,667	22.01	3.30
	1997	1	90	468,000	5,419	16.11	1.70

*Governors and Legislative Pension Plan is combined with Contributory Retirement System prior to 1989.

Schedules of Retirants and Beneficiaries

Year Ended December 31

System	Year	Number Added	Number Removed	Total Retirants and Beneficiaries	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
Contributory Retirement System	1988	164	471	13,945	\$ 62,266,000	4.88%	\$ 3,802
	1989	189	574	13,560	65,299,000	5.47	3,962
	1990	109	520	13,149	66,305,000	1.54	4,137
	1991	65	701	12,513	66,246,000	(0.09)	4,764
	1992	75	540	12,048	66,068,000	(0.27)	4,980
	1993	101	593	11,556	65,956,000	(0.17)	5,196
	1994	130	525	11,161	65,824,000	(0.20)	5,316
	1995	161	630	10,692	72,722,000	10.48	5,436
	1996	160	623	10,229	64,494,000	(11.31)	5,652
1997	159	635	9,753	63,884,000	(0.95)	5,916	
Noncontributory Retirement System	1988	637	11	4,066	\$ 49,841,000	114.37%	\$12,944
	1989	400	42	4,424	56,460,000	13.28	12,454
	1990	874	43	5,255	63,304,000	12.12	11,630
	1991	1,054	62	6,247	74,439,000	17.59	12,684
	1992	943	67	7,123	86,442,000	16.12	12,732
	1993	1,070	112	8,081	101,551,000	17.48	13,020
	1994	1,155	98	9,138	118,240,000	16.43	12,540
	1995	1,418	82	10,474	146,343,000	23.77	12,756
	1996	1,635	237	11,872	161,036,000	10.04	13,164
1997	1,527	176	13,223	186,262,000	15.66	13,668	
Public Safety Retirement System	1988	83	12	1,236	\$ 12,140,000	14.88%	\$11,284
	1989	85	32	1,289	14,197,000	16.93	12,949
	1990	87	23	1,353	15,669,000	10.37	11,630
	1991	91	26	1,418	17,136,000	9.36	14,292
	1992	73	28	1,463	18,745,000	9.39	15,000
	1993	104	31	1,536	20,560,000	9.68	16,224
	1994	99	35	1,600	22,634,000	10.09	13,368
	1995	171	52	1,719	25,271,000	11.65	13,476
	1996	148	50	1,817	28,223,000	11.68	14,328
1997	146	31	1,932	30,972,000	9.74	14,868	
Firefighters Retirement System	1988	40	8	550	\$ 6,602,000	11.46%	\$11,284
	1989	21	14	557	7,935,000	20.19	13,343
	1990	26	9	574	8,525,000	7.44	13,980
	1991	19	12	581	9,051,000	6.17	14,496
	1992	25	15	591	9,494,000	4.89	15,204
	1993	17	9	599	9,978,000	5.10	18,672
	1994	36	15	620	10,734,000	7.58	15,192
	1995	52	26	646	11,769,000	9.64	14,856
	1996	49	19	676	12,888,000	9.51	15,744
1997	55	21	710	14,321,000	11.12	16,896	
Judges Retirement System	1988	2	5	52	\$ 700,000	13.64%	\$16,879
	1989	4	—	56	860,000	22.86	18,081
	1990	—	3	53	920,000	6.98	19,766
	1991	4	—	57	1,042,000	13.26	21,768
	1992	15	3	69	1,359,000	30.42	28,848
	1993	2	2	69	1,958,000	44.08	30,540
	1994	8	7	70	2,193,000	12.00	30,108
	1995	3	2	71	2,355,000	7.39	32,208
	1996	4	6	69	2,472,000	4.97	34,776
1997	6	2	73	2,690,000	8.82	35,796	
Governors and Legislative Pension Plan	*1989	11	8	173	\$ 330,000	(5.98)%	\$ 2,055
	1990	10	8	175	349,000	5.76	3,841
	1991	12	10	177	367,000	5.16	2,883
	1992	12	6	183	387,000	5.45	2,078
	1993	12	7	188	419,000	8.27	1,956
	1994	13	4	197	445,000	6.21	2,184
	1995	12	9	200	487,000	9.44	2,364
	1996	12	12	200	504,000	3.49	2,448
1997	17	7	210	519,000	2.98	2,400	

*Governors and Legislative Pension Plan is combined with Contributory Retirement System prior to 1989.

Contributory Retirement System Summary of Plan Provisions



Description	Requirement															
Membership Eligibility	The Public Employees Contributory Retirement System (Contributory System) includes eligible public employees of the State of Utah and its political subdivisions including public education employees of those entities covered by the System. An employee is qualified for membership in the Contributory System if their employer participates in the System and the employee works at least 20 hours per week and receives benefits normally provided by their employer as approved by the Retirement Board, and teachers who teach half-time.															
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service. Member contributions and interest thereon vest immediately.															
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>30</td> <td>None</td> </tr> <tr> <td>60-61</td> <td>20</td> <td>3% each year before age 65</td> </tr> <tr> <td>62-64</td> <td>10</td> <td>3% each year before age 65</td> </tr> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	30	None	60-61	20	3% each year before age 65	62-64	10	3% each year before age 65	65	4	None
Age	Years of Service	Allowance Reduction														
Any age	30	None														
60-61	20	3% each year before age 65														
62-64	10	3% each year before age 65														
65	4	None														
Service Benefit Formula	<ol style="list-style-type: none"> Number of years of service before 7-1-67 x 1.10%** x FAS*. Number of years of service between 7-1-67 and 6-30-75 x 1.25% of FAS*. Number of years of service after 7-1-75 x 2.0% x FAS*. Plan 1 allowance = total of 1, 2 and 3. <p>*FAS (Final Average Salary) = highest five years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **If FAS is \$500 or less the formula is 1.15% for each year of service before 7-1-67.</p>															
Cost of Living Allowance	Up to 4.0% annually on the original retirement benefit. Eligible after one year.															
Death Benefits	<p>An active member's death benefit consists of an insurance payment equal to 60% of the highest annual salary with a minimum of \$1,000 and a refund of contributions plus interest. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications, or has 25 years of service.</p> <p>An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987, and who have not withdrawn their contributions, the benefit is the same as for active members.</p> <p>A retired member's death benefit depends on the retirement plan that was selected at retirement. No death benefit is available without a reduced retirement benefit.</p>															
Refunds	A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.															
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.															
Contribution Rates <i>(as of 12-31-97)</i>	Member rate in levels A and B is 6.0%*** of salary. Employer rate in Level A is 9.67% of payroll; in Level B 6.50%. ***Employers have the option of paying all or part of member contributions on behalf of their employees.															
Interest	8% on member contributions.															

Noncontributory Retirement System Summary of Plan Provisions



Description	Requirement																		
Membership Eligibility	The Public Employees Noncontributory Retirement System (Noncontributory System) was established on July 1, 1986. All eligible employees of the State and school entities hired subsequent to that date are automatically members of the Noncontributory System. Local governmental entities had the option of adopting the new System or remaining with the Contributory System. An employee is qualified for membership in the Noncontributory System if their employer participates in the System and the employee works at least 20 hours per week and receives benefits normally provided by their employer as approved by the Retirement Board, and teachers who teach half-time.																		
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service.																		
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction[†]</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>30</td> <td>None</td> </tr> <tr> <td>Any age</td> <td>25</td> <td>Full actuarial before age 60</td> </tr> <tr> <td>60-61</td> <td>20</td> <td>3% each year before age 65</td> </tr> <tr> <td>62-64</td> <td>10</td> <td>3% each year before age 65</td> </tr> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> </tbody> </table> <p>[†]With fewer than 30 years of service from any combination of Utah Retirement Systems, retiring before age 65 will reduce the monthly benefit approximately 7% for every year under age 60 and 3% for each year between ages 60 and 65.</p>	Age	Years of Service	Allowance Reduction [†]	Any age	30	None	Any age	25	Full actuarial before age 60	60-61	20	3% each year before age 65	62-64	10	3% each year before age 65	65	4	None
Age	Years of Service	Allowance Reduction [†]																	
Any age	30	None																	
Any age	25	Full actuarial before age 60																	
60-61	20	3% each year before age 65																	
62-64	10	3% each year before age 65																	
65	4	None																	
Service Benefit Formula	<p>Number of years of service x 2.0% x FAS*.</p> <p>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.</p>																		
Cost of Living Allowance	Up to 4.0% annually on the original retirement benefit. Eligible after one year.																		
Death Benefits	<p>An active member's death benefit consists of an insurance payment equal to 60% of the highest annual salary with a minimum of \$1,000 and a refund of transferred contributions plus interest. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member has 15 or more years of service credit.</p> <p>An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of transferred contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987, and who have not withdrawn their contributions, the benefit is the same as for active members.</p> <p>A retired member's death benefit depends on which retirement plan was selected at retirement. No death benefit is available without a reduced retirement benefit.</p>																		
Refunds	A terminated member who transferred from the Contributory Retirement System is eligible for a 100% refund of transferred contributions plus interest. Members hired after July 1, 1986, are ineligible for refunds. There is a 60-day refund processing period after the last day of paid employment.																		
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.																		
Contribution Rates (as of 12-31-97)	Employer rate for Level A is 14.16% of payroll, and for Level B 10.51%.																		
Interest	8% on member contributions transferred from the Contributory Retirement System.																		

Public Safety Retirement System Summary of Plan Provisions



Description	Requirement												
Membership Eligibility	The Public Safety Retirement System includes eligible state and local governmental employees directly involved in law enforcement. The Public Safety System consists of the Contributory and Noncontributory divisions. An employee is qualified for membership in the Public Safety System if: (1) they are employed 2,080 hours a year in a recognized public safety department, (2) have completed a certified training program and (3) whose primary duty is a peace officer, correctional officer or special function officer.												
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service. Member contributions vest immediately.												
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>20</td> <td>None</td> </tr> <tr> <td>60</td> <td>10</td> <td>None</td> </tr> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	20	None	60	10	None	65	4	None
Age	Years of Service	Allowance Reduction											
Any age	20	None											
60	10	None											
65	4	None											
Service Benefit Formula	<ol style="list-style-type: none"> 2.5% x FAS* x years of service up to 20 years. 2.0% x FAS* x years of service over 20 years. Monthly benefit = total of 1 and 2.** <p>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 70% of FAS.</p>												
Cost of Living Allowance	Up to 2.5% annually on original retirement benefit. Eligible after one year.												
Death Benefits	<p>DIVISION A</p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,000 plus a monthly benefit of 30% of the final average salary. If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For more than 10 years of service, the benefit to the surviving spouse is \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Dependent children receive no additional benefits. A retired member's death benefit to the surviving spouse is 65% of the monthly benefit.</p> <p>DIVISION B</p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each dependent child under 18 receives \$50 per month if the member had two or more years of service. If death is not in the line of duty, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than two years of service. For members with more than two years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. A retired member's death benefit to a surviving spouse is 65% of the monthly benefit. A dependent child under 18 receives \$50 per month.</p>												
Refunds	A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.												
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.												
Contribution Rates (as of 12-31-97)	<p>CONTRIBUTORY OPTION</p> <p>Member rates in Division A are: State units 12.29%; Bountiful 11.94%; and all other units 12.29% of salary. Member rates in Division B are: Salt Lake City 13.74%; Ogden 13.18%; Logan 11.13%; Provo 13.54%; and other units 10.50% of salary.*</p> <p>Employer rates for Division A are: State units 12.26%; Bountiful 8.98%; and other law enforcement units 5.62% of payroll. Employer rates for Division B are: Salt Lake City 21.82%; Ogden 12.65%; Logan 6.72%; Provo 12.81%; and other units 7.55% of payroll.</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p> <p>NONCONTRIBUTORY OPTION</p> <p>Employer rates for Division A are: State units 22.94%; Bountiful 20.65%; and other units 17.09% of payroll. Employer rates for Division B are: Salt Lake City 33.68%; Ogden 24.77% and all other units 17.29% of payroll.</p>												
Interest	8% on member contributions in the Contributory System.												

Firefighters Retirement System

Summary of Plan Provisions



Description	Requirement												
Membership Eligibility	The Firefighters Retirement System (Firefighters System) includes eligible state and local governmental employees directly involved in fire fighting and whose duties are classified as hazardous. If an employer does not classify the duties as hazardous, the employee will be enrolled in either the Public Employees Contributory or Noncontributory Retirement System. An employee is qualified for membership in the Firefighters System if they are employed 2,080 hours a year in a regular constituted fire department and are regularly assigned to hazardous duty. Although volunteer firefighters do not contribute to the System and are not eligible for service retirement benefits, they or their beneficiaries receive benefits based on the salary of the lowest paid firefighters in a first-class city if they are disabled or killed in the line of duty.												
Vesting	Retirement benefit becomes vested immediately upon the member's completion of 4 years of qualifying service. Member contributions vest immediately.												
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>20</td> <td>None</td> </tr> <tr> <td>60</td> <td>10</td> <td>None</td> </tr> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	20	None	60	10	None	65	4	None
Age	Years of Service	Allowance Reduction											
Any age	20	None											
60	10	None											
65	4	None											
Service Benefit Formula	<ol style="list-style-type: none"> 2.5% x FAS* x years of service up to 20 years. 2.0% x FAS* x years of service over 20 years. Monthly benefit = total of 1 and 2.** <p>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 70% of FAS, but cannot be less than \$500.</p>												
Cost of Living Allowance	Up to 4% annually on original retirement benefit. Eligible after one year.												
Disability Benefits	If disability is in the line of duty, the benefit is 50% of the final average salary with no minimum age or service requirements. If disability is not in the line of duty, the benefit is a refund of contributions for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for disability incurred in the line of duty. Benefits are suspended while receiving Workers Compensation.												
Death Benefits	<p>DIVISION A</p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 30% of final average salary.</p> <p>If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For members with more than 10 years of service, the benefit to the surviving spouse consists of \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary.</p> <p>DIVISION B</p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each dependent child under 21 receives \$75 per month if the member had five or more years of service. Total benefits cannot exceed 75% of the final average salary. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member.</p> <p>If death is not in the line of duty, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater.</p> <p>A retired member's death benefit to a surviving spouse is 75% of the monthly benefit with a minimum monthly payment of \$350. A dependent child under 21 receives \$75 per month.</p>												
Refunds	A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.												
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.												
Contribution Rates (as of 12-31-97)	Member rate in Division A is 13.31% of salary. Member rate in Division B is 16.71% of salary.* Employer rate in Division A is 0.00%. Employer rate in Division B is 6.43%. A fire insurance premium tax equal to 8.19% of salaries is also an additional part of the employer contribution rates. Fire insurance premium taxes are collected by the Utah State Treasurer for the Firefighters Retirement System to help fund retirement benefits. *Employers have the option of paying all or part of member contributions on behalf of their employees.												
Interest	Member contributions receive no interest.												

Judges Retirement System

Summary of Plan Provisions



Description	Requirement															
Membership Eligibility	The Judges Retirement System (Judges System) includes justices and judges of the Supreme Court, appellate, district, circuit and juvenile courts.															
Vesting	Retirement benefit becomes vested upon the member's completion of 6 years of qualifying service. Member contributions and interest thereon vest immediately.															
Service Retirement	<table border="0"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Years of Service</th> <th style="text-align: left;">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>25</td> <td>None</td> </tr> <tr> <td>55</td> <td>20</td> <td>Full actuarial reduction</td> </tr> <tr> <td>62</td> <td>10</td> <td>None</td> </tr> <tr> <td>70</td> <td>6</td> <td>None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	25	None	55	20	Full actuarial reduction	62	10	None	70	6	None
Age	Years of Service	Allowance Reduction														
Any age	25	None														
55	20	Full actuarial reduction														
62	10	None														
70	6	None														
Service Benefit Formula	<ol style="list-style-type: none"> 1. 5.00% x FAS* x years of service up to 10 years. 2. 2.25% x FAS* x years of service between 10 and 20 years. 3. 1.00% x FAS* x years of service over 20 years. 4. Monthly benefit = total of 1, 2, and 3. <p>*FAS (Final Average Salary) = highest two years' earnings in judicial service converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. Benefits paid cannot exceed 75% of FAS.</p>															
Cost of Living Allowance	Up to 4.0% annually compounded, beginning one year after retirement.															
Death Benefits	<p>An active member's death benefit to the surviving spouse consists of a refund of member contributions and interest plus 65% of the final average salary on a yearly rate, or a monthly allowance equal to 65% of the amount computed for a service retirement with no early retirement reduction.</p> <p>A retired member's death benefit to the surviving spouse is 65% of the member's monthly benefit at the time of death. If the member elected an actuarial reduction in monthly benefits, the surviving spouse will receive a death benefit of 75% of the member's monthly benefit.</p>															
Refunds	A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.															
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.															
Contribution Rates <i>(as of 12-31-97)</i>	<p>NONCONTRIBUTORY OPTION Employer rate is 20.21% of salary.</p> <p>CONTRIBUTORY OPTION Member rate is 8.00% of salary.* Employer rate includes 12.21% of payroll and 24.11% from court fees.</p> <p>*State picks up 6.0% of member contributions.</p>															
Interest	8% on member contributions.															

Governors and Legislative Pension Plan Summary of Plan Provisions



Description	Requirement									
Membership Eligibility	The Governors and Legislative Pension Plan includes only governors and legislators of the State of Utah.									
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service.									
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> <tr> <td>62</td> <td>10</td> <td>3% each year before age 65</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	65	4	None	62	10	3% each year before age 65
Age	Years of Service	Allowance Reduction								
65	4	None								
62	10	3% each year before age 65								
Service Benefit Formula	<p>GOVERNORS \$500 per month for one term; \$1,000* per month for two or more terms, increased semi-annually up to 2% based on the CPI. The amount as of 12-31-97 is \$980 for one term and \$1,960 for two or more terms.</p> <p>LEGISLATORS \$10 per month per each year of service as a legislator, increased semi-annually up to 2% based on the CPI. The amount as of 12-31-97 is \$22.</p>									
Cost of Living Allowance	Up to 4.0% annually on the original retirement benefit. Eligible after one year.									
Death Benefits	An active or retired member's death benefit to a spouse consists of a monthly pension equal to 50% of the retirement allowance paid, or to which the member would have been entitled to upon reaching age 65, if the member has four or more years of service as a governor or legislator. The deceased member and surviving spouse must have been married at least six months.									
Contribution Rates	There are currently no required contributions to the Governors and Legislative Pension Plan.									

Summaries of Plan Provisions Changes in Plan Provisions

General

HB 173
◆ Affirms the authority of the Retirement Board to interpret and define provisions and terms of the Retirement Code when it promotes uniformity in administration or maintains the actuarial soundness of the Systems.

- ◆ Clarifies that:
 - A member who has service credit from two or more systems may combine such credit for determining eligibility to retire, so long as the service is not concurrent (overlapping).
 - Certain employees are exempt from URS coverage when covered by another retirement system.
 - Payments and adjustments to the member's allowance will also apply to the beneficiary.

—The former spouse of a member of the Public Safety and Firefighters Retirement Systems is entitled to a court designated percentage of both the member's retirement benefit and the spouse's death benefit when stipulated in a court order on file with URS.

- ◆ Sets the date of payment of continuing benefits to the beneficiary of a deceased active member.

SB 247
Authorizes institutions of higher learning to make available to their employees health insurance under the Public Employees Health Plan, which is now available to state employees.

Noncontributory System
HB 6
Amends the benefit eligibility requirements for a surviving spouse of a deceased active member of the Public Employees Noncontributory Retirement System. In addition to existing

provisions, a widowed spouse may now qualify for a 2/3 benefit if the deceased member had between 20 and 25 years of service and was under age 60; or a 1/3 benefit if the deceased member had between 15 and 20 years of service and was not yet age 62.

Contributory System
None

Public Safety System
SB 85
Amends the Peace Officer Standards and Training Council's authority to render decisions on eligibility questions for the Public Safety Retirement System.

Firefighters System
None

Judges System
SB 85
Creates a noncontributory retirement system for judges.

Governors and Legislative
None

401(k) and 457 Plans**Summary of Plan Provisions**

Utah Retirement Systems' 401(k) Plan and 457 Plan are voluntary tax-deferred retirement savings programs authorized under sections 401(k) and 457 of the Internal Revenue Code. These plans are available to state, local governmental, and educational employees throughout Utah.

Goals and Objectives

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

It has long been recognized that in order for people to experience the comfortable and rewarding retirement they desire, they cannot rely entirely upon Social Security and their employer provided retirement. In providing the third leg of a three-legged stool (Social Security and their retirement system being the other two legs), employees must take the initiative to personally put aside a portion of their salary into some type of long-term savings plan. These tax-deferred defined contribution plans provide exceptional vehicles to accomplish these goals, and to provide the third leg of the three-legged stool; enhancing an employee's well balanced retirement plan. Employees who begin participating in these plans early in their careers can accumulate sizeable nest-eggs by the time they retire.

Employer Contributions

In addition to accepting employee salary deferrals, these plans also accept employer contributions on behalf of their employees. All state and educational employees participating in the Noncontributory Retirement System receive an amount equal to 1.5% of their salary in the URS 401(k) Plan.

All local governmental employers also have the option of contributing to the 401(k) Plan on behalf of their employees. Many contribute amounts in excess of the 1.5% the State contributes. All employers have the option of matching employee contributions.

Social Security Substitute

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

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

Summary of Plan Provisions**DEFERRAL LIMITS**

401(k)—Limited in 1997 to an annual maximum of \$9,500 (indexed). Deferrals to 401(k) and all other qualified pension plans are limited to 25% of includable compensation.

457—Limited to an annual maximum of \$7,500 or 33.3% of includable compensation.

COORDINATION OF DEFERRALS

Deferrals to the 401(k), 457, and 403(b) plans must be coordinated. The limits in one plan are reduced dollar for dollar by deferrals in another. If participating in the 457 Plan, the maximum in all plans combined is \$7,500.

CATCH-UP PROVISIONS

401(k)—None.

457—Allowable only during the last three years before the year of retirement. Participants may contribute the difference between actual and maximum deferrals for prior years up to an additional \$7,500 each year.

WITHDRAWALS

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

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

ROLLOVERS

401(k)—Allowable to or from another qualified plan or to an IRA upon termination or other qualifying circumstance. May be either a direct rollover by the Plan or by the participant within 60 days after distribution.

457—Direct transfers to or from another 457 Plan are permitted.

VESTING

401(k)—Fully vested.

457—Fully vested.

Investment Options Transfers

Although changes in deferral amounts and in the investment options for current contributions may be made at any time, accumulated balances may be transferred from one investment option to another only one time per calendar month. Furthermore, Beneficial Life Insurance Company restricts transfers of account balances in excess of \$1,000 from the Group Annuity Fund to 25% of the highest account balance of the past four years without a market value adjustment, when applicable. The Internal Revenue Code does not allow transfers between the 401(k) and 457 plans.

401(k) and 457 Plans**Summary of Plan Provisions** (Continued)**1997 Investment Options****TEMPLETON INSTITUTIONAL GROWTH SERIES FUND**

This fund is a member of the Franklin/Templeton Group which is an open-end management investment company. The Templeton Institutional Growth Series Fund, patterned after the Templeton Growth Fund, is a no-load, global fund seeking to achieve long-term capital growth by investing in stocks and debt obligations of companies and governments of any nation, including developing nations. Although the Fund generally invests in common stock, it may also invest in preferred stocks and certain debt securities that offer potential for capital growth. In selecting securities, the Fund managers look for those companies in various countries and industries where economic and political factors, including currency movements, are expected to produce above-average appreciation. Because of the possibility of high return, significant price fluctuations are more likely than in the other investment options.

S&P STOCK INDEX FUND

This Fund is managed internally by the Retirement Board's investment staff. Money is invested in most of the 500 stocks of the Standard & Poor's Index. The objective of the Fund is to minimize deviation between its performance and that of the S&P 500 Index. Although the potential for high returns over a long period of time is present in this fund, the possibility of losses in a declining stock market also exists. Administrative costs, dividends and interest, as well as increases and decreases in the market value of the stocks are reflected in the unit value of the fund and do not appear as separate items on account statements.

FIDELITY PURITAN FUND

The Puritan Fund is managed by Fidelity Investments, the country's largest private investment firm. This no-load, balanced mutual fund is designed to provide income and long-term growth potential by investing in common stocks, preferred stocks and bonds in both U.S. and international markets. Because of its balanced approach, this Fund is considered less risky than most stock investments but has higher risk than fixed income investments. Investments in this Fund could decrease in value in declining security markets.

INCOME FUND

Managed by American Express Trust Company, this Fund is invested in Guaranteed Investment Contracts (GICs), U.S. Treasury and federal agency securities, mortgage backed securities, corporate bonds and short-term funds. GICs are unsecured obligations of insurance companies and are not guaranteed by Utah Retirement Systems or the federal government. Although GICs currently comprise a large portion of this portfolio, no additional GICs will be purchased. This fund seeks reduced risk while providing a competitive, stable rate of return, though anticipated to be lower than the other investment options over a long period of time.

GROUP ANNUITY FUND

This Fund, a group annuity contract with Beneficial Life Insurance Company, is closed to future contributions. Beneficial Life guarantees the principal and a minimum 5% rate of return. Money is invested in Beneficial Life's general account which is invested in bonds, mortgages, and short-term securities. The excess earnings Beneficial Life declares on its general account determines the fund's rate of return.

GENERAL AND ADMINISTRATIVE EXPENSES

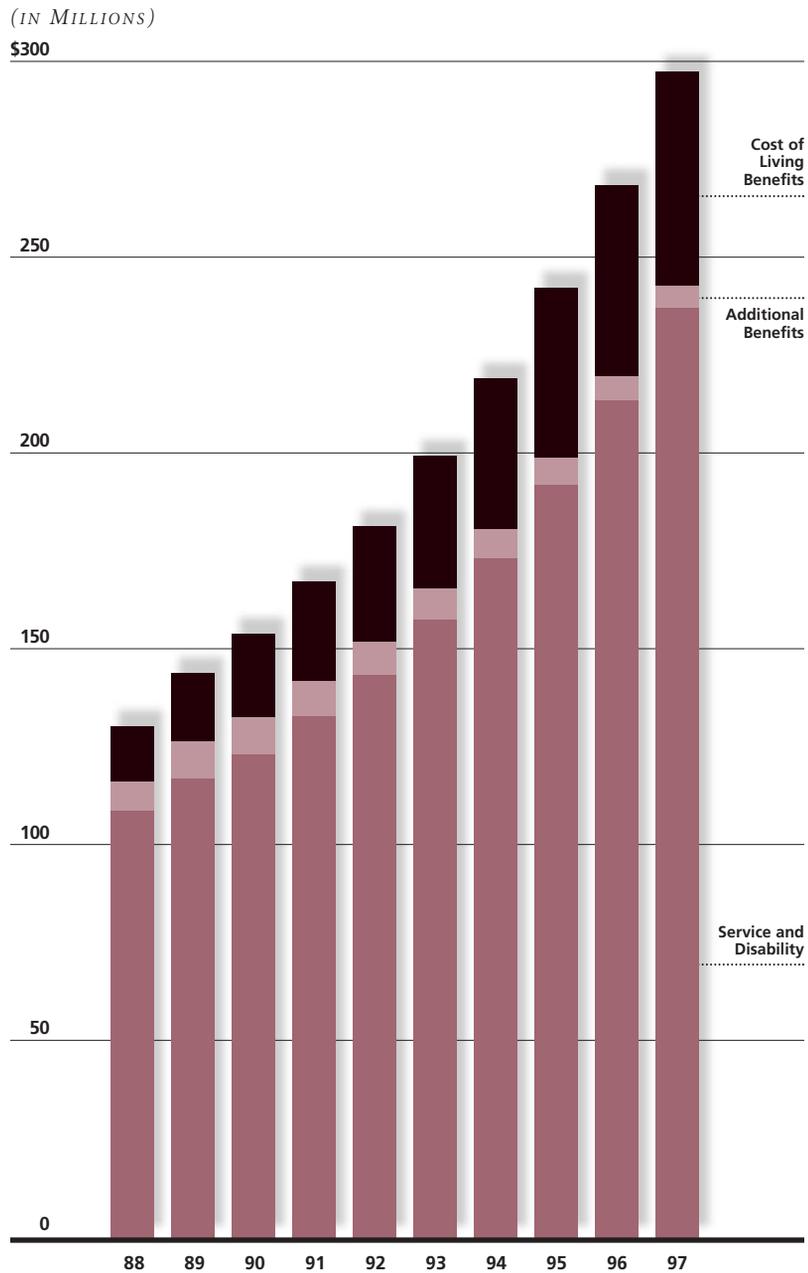
There are no front-end load, redemption, or other hidden fees associated with these plans. All costs reflected in the following table are deducted from earnings prior to posting to participant accounts and do not appear on statements of account.

Fund	Investment Fees	Administrative Costs	Total Costs
Income Fund	.16%	.25%	.41%
Fidelity Puritan S&P 500 Stock Index	.67	.25	.92
Templeton Group Annuity Fund	.87	.25	1.12
	.70	.25	.95

By administering the defined contribution plans internally rather than through a third party, we are able to keep expenses at the lowest possible level to maximize earnings to each participant. The above chart shows these expenses to be nominal when compared to fees as high as 10% on some annuities, mutual funds, and insurance contracts.

RATES OF RETURN

The chart on page 78 reflects rates of return earned on the various investment funds after deducting all costs. These rates of return and market indices include market changes as well as interest and dividends earned.



Benefits by Type

ALL RETIREMENT SYSTEMS

(IN MILLIONS)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Cost of Living Benefits	\$ 14	18	22	25	29	34	38	43	49	55
Additional Benefits	8	9	9	9	9	8	8	7	6	6
Service and Disability	110	118	124	134	144	158	174	193	215	238
Totals	\$132	145	155	168	182	200	220	243	270	299

Utah Retirement Systems
1997 Comprehensive Annual Financial Report



Statistical Section

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Schedules of Average Benefit Payments 108

Schedules of Participating Employers 110

Schedules of Additions by Source

Year Ended December 31

(DOLLARS IN THOUSANDS)

System	Year	Member Contributions	Total Employer Contributions		Employer Contributions as a Percent of Covered Payroll	Investment Income	Total Additions
			Employer Contributions	Court Fees and Premium Tax			
Contributory Retirement System	1988	\$28,128	31,685	—	6.81%	\$ 64,550	124,363
	1989	26,961	26,308	—	5.85	100,169	153,438
	1990	24,895	20,716	—	4.99	57,313	102,924
	1991	18,324	18,558	—	6.08	65,852	102,734
	1992	17,171	19,142	—	6.69	65,920	102,233
	1993	17,630	17,938	—	6.10	123,303*	158,871
	1994	17,646	18,719	—	6.51	2,193	38,558
	1995	16,362	17,723	—	6.77	193,708	227,793
	1996	8,765	10,224	—	7.20	123,006	141,995
1997	8,537	10,651	—	7.71	133,286	152,474	
Noncontributory Retirement System	1988	\$ 1,052	94,672	—	11.72%	\$ 130,435	226,159
	1989	826	100,914	—	10.67	205,981	307,721
	1990	3,139	119,814	—	11.93	134,397	257,350
	1991	2,798	157,014	—	12.29	243,929	403,741
	1992	2,643	171,505	—	12.41	254,565	428,713
	1993	2,410	174,227	—	11.79	1,066,354*	1,242,991
	1994	2,937	194,202	—	11.83	9,886	207,025
	1995	5,614	220,955	—	12.26	943,721	1,170,290
	1996	6,679	260,068	—	12.66	832,473	1,099,220
1997	7,301	294,937	—	13.40	1,047,207	1,349,445	
Public Safety Retirement System	1988	\$12,438	7,623	—	7.62%	\$ 21,022	41,083
	1989	10,811	9,640	—	9.46	33,332	53,783
	1990	6,134	15,468	—	14.02	20,956	42,558
	1991	5,596	19,479	—	15.76	34,650	59,725
	1992	5,707	19,441	—	16.08	36,090	61,238
	1993	5,897	16,960	—	12.21	80,052*	102,909
	1994	5,777	18,895	—	12.70	1,345	26,017
	1995	4,318	24,732	—	15.46	127,222	156,272
	1996	4,151	29,271	—	16.54	107,070	140,492
1997	4,345	34,217	—	17.51	132,490	171,052	
Firefighters Retirement System	1988	\$ 4,248	3,094	—	10.62%	\$ 9,659	17,001
	1989	4,302	3,042	2,022	17.22	15,248	24,614
	1990	4,521	3,232	1,670	15.86	9,567	18,990
	1991	4,859	2,833	1,675	13.57	16,810	26,177
	1992	5,337	2,344	2,065	12.07	15,914	25,660
	1993	5,530	2,121	2,839	13.09	35,008*	45,498
	1994	6,199	1,961	3,537	13.69	589	12,286
	1995	6,976	1,685	4,862	15.22	55,580	69,103
	1996	7,461	2,002	4,333	13.78	46,626	60,422
1997	8,358	2,836	4,552	14.41	57,541	73,287	
Judges Retirement System	1988	\$ 381	63	584	13.59%	\$ 1,185	2,213
	1989	450	70	980	18.67	1,877	3,377
	1990	516	77	1,082	17.97	1,202	2,877
	1991	558	191	1,561	25.12	2,040	4,350
	1992	523	304	1,741	31.28	2,206	4,774
	1993	561	405	1,855	32.23	6,664*	9,485
	1994	572	504	1,709	31.82	86	2,871
	1995	654	680	1,670	29.74	8,333	11,337
	1996	734	833	1,898	30.41	7,114	10,579
1997	482	1,305	1,901	34.53	8,933	12,621	
Governors and Legislative Pension Plan	1988	\$ 3	102	—	25.50%	\$ 406	511
	1989	2	100	—	25.00	611	713
	1990	1	—	—	0.00	363	364
	1991	—	—	—	0.00	569	569
	1992	—	—	—	0.00	552	552
	1993	—	—	—	0.00	1,315*	1,315
	1994	—	—	—	0.00	19	19
	1995	—	—	—	0.00	1,604	1,604
	1996	—	—	—	0.00	1,270	1,270
1997	—	—	—	0.00	1,481	1,481	

*Reflects the change in accounting method to record unrealized gains and losses on the fair value of investments

Schedules of Deductions by Type

Year Ended December 31

(IN THOUSANDS)

System	Year	Benefit Payments	Refunds	Administrative & Actuarial Expense	Total Deductions
Contributory Retirement System	1988	\$ 61,915	14,544	1,872	78,331
	1989	65,299	14,798	1,705	81,802
	1990	66,305	13,820	1,963	82,088
	1991	66,246	7,031	1,348	74,625
	1992	66,068	7,111	1,322	74,501
	1993	65,956	4,057	1,213	71,226
	1994	65,824	5,606	1,178	72,608
	1995	65,588	5,342	1,214	72,144
	1996	64,494	4,833	985	70,312
1997	63,884	4,735	794	69,413	
Noncontributory Retirement System	1988	\$ 49,841	3,241	2,205	55,287
	1989	56,460	3,111	2,519	62,090
	1990	63,304	3,213	3,266	69,783
	1991	74,439	5,711	3,883	84,033
	1992	86,442	4,976	4,208	95,626
	1993	101,551	3,819	4,418	109,788
	1994	118,240	3,521	4,616	126,377
	1995	137,928	3,571	5,138	146,637
	1996	161,036	4,774	5,721	171,531
1997	186,262	4,995	6,323	197,580	
Public Safety Retirement System	1988	\$ 12,141	1,581	385	14,107
	1989	14,197	1,728	431	16,356
	1990	15,669	1,808	456	17,933
	1991	17,136	1,480	615	19,231
	1992	18,745	1,236	649	20,630
	1993	20,560	946	642	22,148
	1994	22,634	936	664	24,234
	1995	25,271	737	714	26,722
	1996	28,223	895	766	29,884
1997	30,972	611	792	32,375	
Firefighters Retirement System	1988	\$ 6,602	110	150	6,862
	1989	7,935	257	181	8,373
	1990	8,525	181	163	8,869
	1991	9,051	240	286	9,577
	1992	9,494	270	312	10,076
	1993	9,978	68	308	10,354
	1994	10,734	60	300	11,094
	1995	11,769	181	320	12,270
	1996	12,888	84	331	13,303
1997	14,321	298	331	14,950	
Judges Retirement System	1988	\$ 700	45	16	761
	1989	860	—	30	890
	1990	920	47	20	987
	1991	1,042	—	39	1,081
	1992	1,359	—	56	1,415
	1993	1,958	—	62	2,020
	1994	2,193	73	61	2,327
	1995	2,355	—	53	2,408
	1996	2,472	—	55	2,527
1997	2,690	8	55	2,753	
Governors and Legislative Pension Plan	1988	\$ 351	3	16	370
	1989	330	2	15	347
	1990	349	1	18	368
	1991	367	4	7	378
	1992	387	1	5	393
	1993	419	2	7	428
	1994	445	—	7	452
	1995	485	6	7	498
	1996	504	1	7	512
1997	519	1	6	526	

Schedules of Benefit Deductions by Type

Year Ended December 31

(IN THOUSANDS)

System	Year	Service and Disability Benefits	Cost of Living Benefits	Additional Benefits	Total Benefits
Contributory Retirement System	1988	\$ 44,560	11,092	6,263	61,915
	1989	45,822	12,381	7,096	65,299
	1990	45,438	13,638	7,229	66,305
	1991	44,556	14,809	6,881	66,246
	1992	43,781	15,941	6,346	66,068
	1993	43,137	16,995	5,824	65,956
	1994	42,512	17,895	5,417	65,824
	1995	41,815	18,789	4,984	65,588
	1996	40,580	19,445	4,469	64,494
1997	39,784	20,085	4,015	63,884	
Noncontributory Retirement System	1988	\$ 48,984	857	—	49,841
	1989	53,734	2,726	—	56,460
	1990	58,516	4,788	—	63,304
	1991	67,426	7,013	—	74,439
	1992	76,867	9,575	—	86,442
	1993	89,142	12,409	—	101,551
	1994	102,729	15,511	—	118,240
	1995	118,986	18,942	—	137,928
	1996	138,373	22,663	—	161,036
1997	159,169	27,093	—	186,262	
Public Safety Retirement System	1988	\$ 10,460	1,048	633	12,141
	1989	12,003	1,282	912	14,197
	1990	13,172	1,545	952	15,669
	1991	14,319	1,843	974	17,136
	1992	15,640	2,156	949	18,745
	1993	17,130	2,503	927	20,560
	1994	18,871	2,862	901	22,634
	1995	21,048	3,317	906	25,271
	1996	23,499	3,817	907	28,223
1997	25,741	4,347	884	30,972	
Firefighters Retirement System	1988	\$ 4,894	936	772	6,602
	1989	5,595	1,034	1,306	7,935
	1990	6,073	1,157	1,295	8,525
	1991	6,493	1,276	1,282	9,051
	1992	6,852	1,407	1,235	9,494
	1993	7,250	1,541	1,187	9,978
	1994	7,890	1,708	1,136	10,734
	1995	8,728	1,973	1,068	11,769
	1996	9,638	2,224	1,026	12,888
1997	10,836	2,510	975	14,321	
Judges Retirement System	1988	\$ 575	125	—	700
	1989	719	141	—	860
	1990	712	208	—	920
	1991	821	221	—	1,042
	1992	1,104	255	—	1,359
	1993	1,641	317	—	1,958
	1994	1,833	360	—	2,193
	1995	1,976	379	—	2,355
	1996	2,045	427	—	2,472
1997	2,216	474	—	2,690	
Governors and Legislative Pension Plan	1988	\$ 270	81	—	351
	1989	246	84	—	330
	1990	257	92	—	349
	1991	279	88	—	367
	1992	291	96	—	387
	1993	316	103	—	419
	1994	336	109	—	445
	1995	365	120	—	485
	1996	383	121	—	504
1997	399	120	—	519	

Schedules of Retired Members by Type of Benefit Option

December 31, 1997

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option								
		1	2	3	4	5	6	7	8	9
Contributory Retirement System	\$1-1,000	2,059	3,294	1,497	447	875	386	—	—	—
	1,001-2,000	411	172	239	85	128	94	—	—	—
	2,001-3,000	25	8	11	3	6	7	—	—	—
	3,001-4,000	2	1	—	1	1	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—	—
	over-5,000	—	—	—	—	1	—	—	—	—
Noncontributory Retirement System	\$1-1,000	2,580	561	973	166	1,226	572	—	—	—
	1,001-2,000	1,537	190	1,102	187	1,038	564	—	—	—
	2,001-3,000	640	51	578	160	440	266	—	—	—
	3,001-4,000	78	7	93	52	49	45	—	—	—
	4,001-5,000	12	—	18	6	5	6	—	—	—
	over-5,000	7	—	6	5	1	2	—	—	—
Public Safety Retirement System	\$1-1,000	—	—	—	—	—	—	613	—	—
	1,001-2,000	—	—	—	—	—	—	934	—	—
	2,001-3,000	—	—	—	—	—	—	325	—	—
	3,001-4,000	—	—	—	—	—	—	48	—	—
	4,001-5,000	—	—	—	—	—	—	9	—	—
	over-5,000	—	—	—	—	—	—	3	—	—
Firefighters Retirement System	\$1-1,000	—	—	—	—	—	—	—	226	—
	1,001-2,000	—	—	—	—	—	—	—	265	—
	2,001-3,000	—	—	—	—	—	—	—	174	—
	3,001-4,000	—	—	—	—	—	—	—	42	—
	4,001-5,000	—	—	—	—	—	—	—	3	—
	over-5,000	—	—	—	—	—	—	—	—	—
Judges Retirement System	\$1-1,000	—	—	—	—	—	—	10	—	—
	1,001-2,000	—	—	—	—	—	—	9	—	3
	2,001-3,000	—	—	—	—	—	—	11	—	3
	3,001-4,000	—	—	—	—	—	—	5	—	3
	4,001-5,000	—	—	—	—	—	—	5	—	7
	over-5,000	—	—	—	—	—	—	11	—	6
Governors and Legislative Pension Plan*	\$1-1,000	—	—	—	210	—	—	—	—	—
	1,001-2,000	—	—	—	—	—	—	—	—	—
	2,001-3,000	—	—	—	—	—	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—	—
	over-5,000	—	—	—	—	—	—	—	—	—

- 1- A maximum monthly benefit for the retiree's life. No benefit to a beneficiary.
- 2- A reduced lifetime benefit to the retiree. A beneficiary receives the balance in retiree's account after the monthly annuity payments are deducted.
- 3- A reduced lifetime benefit to a retiree and a lifetime benefit equal to the retiree's benefit payable to the retiree's lawful spouse at the time of retirement.
- 4- A reduced lifetime benefit to the retiree and a lifetime benefit equal to half of the retiree's benefit to the retiree's law-

- ful spouse at the time of retirement.
- 5- Approximately 95% of the benefit in type 3 and the same lifetime benefit for retiree's lawful spouse at the time of retirement.
- 6- Approximately 98% of the benefit in type 4 and a lifetime benefit for equal to half of the retiree's for retiree's lawful spouse at the time of the retirement.
- 7- Normal retirement for age and service and a lifetime benefit of 65% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.

- 8- Normal retirement for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.
- 9- Normal retirement for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retirement.
- * Governors & Legislative Pension Plan provides a normal lifetime pension to the retiree and 50% of the retiree's benefit to the retiree's lawful spouse at the time of death if the retiree had four or more years of service.

Schedules of Average Benefit Payments

Year Ending December 31

System			Years Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Contributory Retirement System	1995	Average Monthly Benefit	\$ 211	370	677	812	1,670	—
		Average Final Average Salary	1,281	1,474	1,933	1,983	3,301	—
		Number of Active Retired	27	12	27	7	3	—
	1996	Average Monthly Benefit	\$ 218	402	535	657	1,112	1,676
		Average Final Average Salary	1,394	1,605	1,569	1,596	2,299	2,820
		Number of Active Retired	13	17	18	8	4	1
	1997	Average Monthly Benefit	\$ 228	485	547	822	1,714	2,180
		Average Final Average Salary	1,478	1,775	1,571	2,120	3,442	4,066
		Number of Active Retired	8	22	25	11	2	1
Noncontributory Retirement System	1995	Average Monthly Benefit	\$ 213	473	720	1,020	1,758	2,256
		Average Final Average Salary	1,482	1,833	2,077	2,398	3,057	3,404
		Number of Active Retired	198	172	206	208	325	239
	1996	Average Monthly Benefit	\$ 225	473	768	1,074	1,799	2,306
		Average Final Average Salary	1,597	1,902	2,234	2,538	3,201	3,614
		Number of Active Retired	256	194	209	194	350	245
	1997	Average Monthly Benefit	\$ 255	497	828	1,141	1,865	2,441
		Average Final Average Salary	1,749	2,024	2,409	2,727	3,320	3,767
		Number of Active Retired	218	214	197	186	362	252
Public Safety Retirement System	1995	Average Monthly Benefit	\$ 524	1,037	1,485	1,988	2,465	2,704
		Average Final Average Salary	2,998	2,914	2,897	3,350	3,496	3,595
		Number of Active Retired	30	11	49	37	14	5
	1996	Average Monthly Benefit	\$ 532	985	768	1,074	1,799	2,306
		Average Final Average Salary	1,597	1,902	2,234	2,538	3,201	3,614
		Number of Active Retired	19	8	34	24	27	5
	1997	Average Monthly Benefit	\$ 228	485	547	822	1,714	2,180
		Average Final Average Salary	1,478	1,775	1,571	2,120	3,442	4,066
		Number of Active Retired	22	13	44	29	10	5

Information prior to 1995 is not available.

Schedules of Average Benefit Payments (Continued)

Year Ending December 31

System			Years Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Firefighters Retirement System	1995	Average Monthly Benefit	\$ 949	1,594	1,852	2,023	2,749	2,673
		Average Final Average Salary	2,633	3,661	3,487	3,358	3,770	3,610
		Number of Active Retired	3	2	5	15	15	2
	1996	Average Monthly Benefit	\$ 726	1,301	1,824	2,267	2,991	2,990
		Average Final Average Salary	2,639	2,978	3,502	3,817	4,174	4,146
		Number of Active Retired	4	4	3	13	10	1
	1997	Average Monthly Benefit	\$ 992	1,108	2,084	2,180	2,898	2,839
		Average Final Average Salary	2,621	2,972	4,123	3,678	4,186	4,056
		Number of Active Retired	3	1	11	11	16	1
Judges Retirement System	1995	Average Monthly Benefit	\$ —	—	—	5,569	—	6,835
		Average Final Average Salary	—	—	—	6,874	—	6,793
		Number of Active Retired	—	—	—	1	—	1
	1996	Average Monthly Benefit	\$ —	4,445	—	—	—	—
		Average Final Average Salary	—	6,973	—	—	—	—
		Number of Active Retired	—	1	—	—	—	—
	1997	Average Monthly Benefit	\$ —	—	4,846	5,697	5,942	6,254
		Average Final Average Salary	—	—	7,236	7,215	7,323	7,392
		Number of Active Retired	—	—	1	1	1	2
Governors and Legislative Pension Plan	1995	Average Monthly Benefit	\$ 143	244	327	—	—	—
		Average Final Average Salary	204	274	244	—	—	—
		Number of Active Retired	10	1	1	—	—	—
	1996	Average Monthly Benefit	\$ 420	—	—	—	—	—
		Average Final Average Salary	249	—	—	—	—	—
		Number of Active Retired	8	—	—	—	—	—
	1997	Average Monthly Benefit	\$ 136	—	—	—	—	—
		Average Final Average Salary	240	—	—	—	—	—
		Number of Active Retired	12	—	—	—	—	—

Information prior to 1995 is not available.

Participating Employers

C = Public Employees Retirement System
—Contributory
N = Public Employees Retirement System
—Noncontributory
PS= Public Safety Retirement System
F = Firefighters Retirement System
J = Judges Retirement System
G = Governors and Legislative
Pension Plan
D = 457 Plan
K = 401(k) Plan

Employers Name C N PS F D K

School Districts and Education Employers

Alpine School District	C	N			D	K
Beaver School District		N				K
Box Elder School District ...	C	N			D	K
Cache School District	C	N			D	K
Carbon School District	C	N			D	K
College of Eastern Utah	C	N			D	K
Daggett School District	C	N			D	K
Davis School District	C	N			D	K
Duchesne School District ...	C	N			D	K
Dixie College	C	N	PS			K
Emery School District	C	N			D	K
Garfield School District	C	N				K
Grand School District	C	N				K
Granite School District	C	N			D	K
Iron School District	C	N			D	K
Jordan School District	C	N			D	K
Juab School District	C	N			D	K
Kane School District	C	N			D	K
Logan School District	C	N			D	K
Millard School District	C	N				K
Morgan School District		N			D	K
Murray School District	C	N			D	K
Nebo School District	C	N			D	K
North Sanpete School District	C	N			D	K
North Summit School District	C	N			D	K
Ogden School District	C	N			D	K
Park City School District ...	C	N			D	K
Piute School District	C	N				K
Provo School District	C	N			D	K
Rich School District	C	N				K
Salt Lake Community College	C	N			D	K
Salt Lake School District	C	N			D	K
San Juan School District	C	N			D	K
Sevier School District	C	N			D	K
Snow College	C	N			D	K
South Sanpete School District	C	N			D	K
South Summit School District		N				K
Southern Utah University ...	C	N	PS			K
Tintic School District	C	N				K
Tooele School District	C	N			D	K
Uintah School District	C	N			D	K

Employers Name	C	N	PS	F	D	K
University of Utah	C	N	PS			K
Utah State University	C	N	PS		D	K
Utah Valley State College ...	C	N			D	K
Wasatch School District	C	N			D	K
Washington School District	C	N			D	K
Wayne School District	C	N			D	K
Weber County School District	C	N			D	K
Weber State University	C	N				K
Academic Achievement		N				K
Active Re Entry Incorporated		N				K
Bridgerland Vocational Technical		N				K
Davis Applied Technology Center	C	N				K
Educators Mutual—LTD	C	N	PS			
Educators Mutual Insurance	C	N			D	K
High School Activity Association	C	N				K
Ogden-Weber Area Vocation	C	N				K
Sevier Valley Technical	C	N			D	K
Space Dynamics Lab	C	N				K
Summit Employment		N				K
Uintah Basin Applied Technology Center	C	N			D	K
Utah Education Association	C	N			D	K
Utah School Boards Association		N				K
Utah School Boards Man Mut Ins Assn		N				K
Utah School Employee Association		N			D	K
Utah Uniserv	C	N			D	K
Utah Valley Care and Training Center		N				K
State and Other Employers						
State of Utah (including Judges Retirement System and Governors and Legislative Pension Plan)	C	N	PS	F	D	K
Utah Dairy Commission/ Dairy Council of Utah/Nevada		N				
Utah Dept. of Employment Security	C	N			D	K
Utah Employees' Group Ins.—LTD	C	N	PS			
Utah Housing Finance Agency	C	N				K
Utah Industries f/t Blind ...		N				K
Utah Retirement Systems ...	C	N			D	K
Utah Safety Council		N				K
Utah Technology Finance Corp.		N				K
Utah Worker's Compensation Fund	C	N			D	K

Employers Name C N PS F D K

Counties and County Organizations

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

Cities and Towns

Alpine City		N	PS			K
Alpine/Highland PS District		N	PS			K
American Fork City		N	PS			
Aurora City		N				
Beaver City		N				K
Blanding City	C	N	PS			K
Bluffdale City	C				D	K
Bountiful City	C	N	PS	F	D	K
Brian Head Town	C		PS		D	
Brigham City	C	N	PS		D	K
Castle Dale City		N				
Cedar City	C	N	PS	F		K
Cedar Hills Town		N				
Centerville	C	N	PS		D	K
Clearfield City	C	N	PS	F	D	K
Clinton City	C	N	PS	F	D	K
Coalville City	C	N				K
Corinne City	C					
Delta City	C	N				K
Draper City		N				K
Duchesne City	C	N				
East Carbon City		N	PS		D	K
Elk Ridge Town		N				K
Enoch City		N				K
Enterprise City		N				
Ephraim City		N	PS			K
Escalante Town	C	N	PS			
Eureka City		N				
Fairview City		N				K

Participating Employers (Continued)

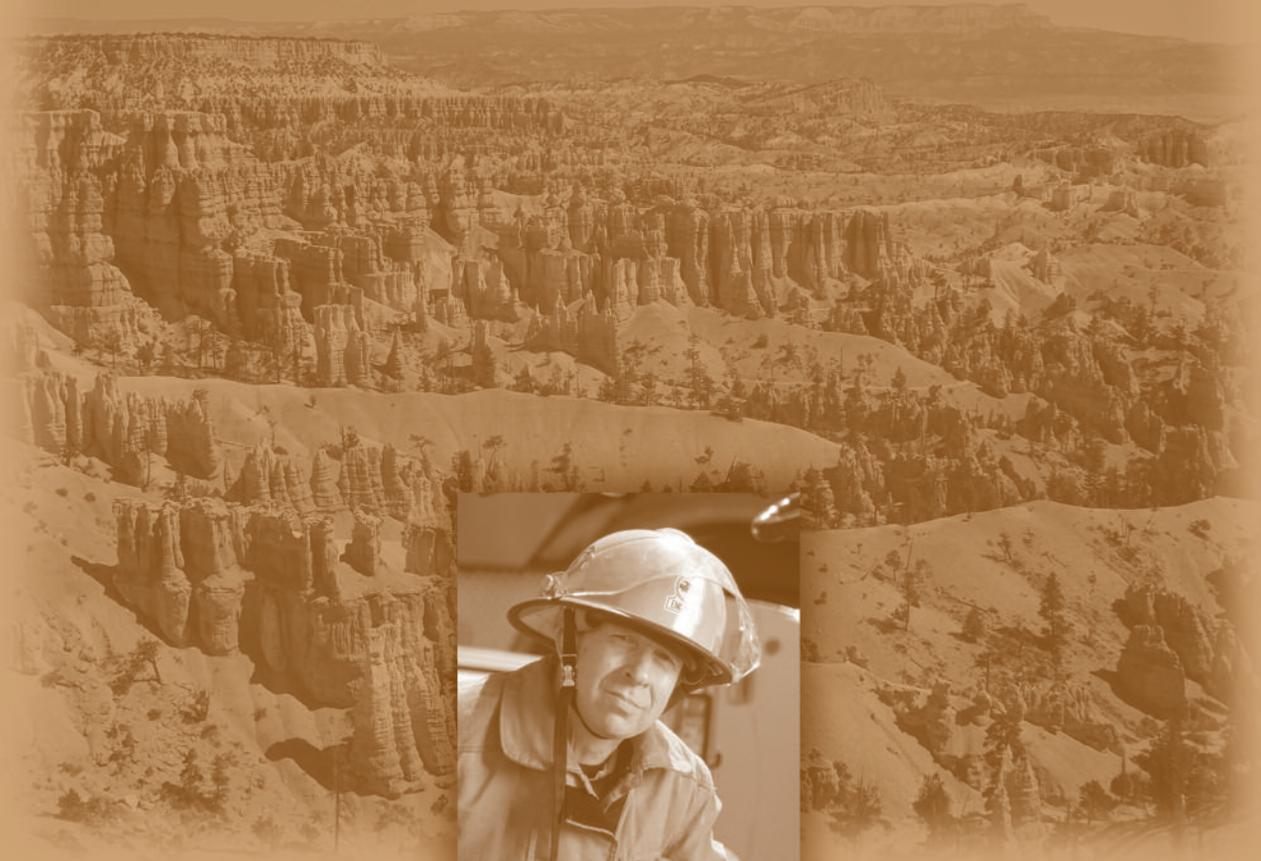
Employers Name	C	N	PS	F	D	K	Employers Name	C	N	PS	F	D	K	Employers Name	C	N	PS	F	D	K	
Farmington City.....	C	N	PS	F			Pleasant Grove City.....		N	PS				Box Elder Co. Mosq.							
Farr West City.....		N			D		Pleasant View City.....	C	N	PS		D	K	District		N					K
Ferron City.....		N				K	Price City	C	N	PS	F		K	Cache Metro Planning							
Fillmore City.....		N			D	K	Providence		C	N			K	Organization.....		N					
Fountain Green City			PS				Provo City.....	C	N	PS	F	D	K	Castle Valley Spec.							
Fruit Heights City		N				K	Richfield City.....	C	N	PS		D		Serv. Dist.....	C	N					K
Garland City	C		PS			K	Richmond City.....	C	N				K	Cedar City Library	C	N					K
Goshen Town.....		N					Riverdale City	C	N	PS	F		K	Central Davis Sewer.....		N			D		K
Grantsville City	C	N	PS		D	K	Riverton City	C	N			D	K	Central Utah							
Green River City.....	C	N				K	Roosevelt City.....	C	N	PS	F	D	K	Water District		N			D		K
Gunnison City.....		N	PS		D	K	Roy City	C	N	PS	F	D		Central Weber							
Harrisville City.....	C	N	PS			K	Salem City.....	C	N	PS		D	K	Sewer District	C	N			D		K
Heber City		N	PS	D		K	Salina City.....		N	PS				Children's Aid Society—							
Helper City		N	PS			K	Salt Lake City Corp.....	C	N	PS	F		K	Utah.....	C	N					K
Highland City.....		N			D	K	Sandy City.....	C	N	PS	F	D		Cottonwood Improvement							
Hinckley Town		N				K	Santa Clara City		N				K	District		N			D		K
Huntington City.....		N			D	K	Santaquin City.....		N	PS			K	Davis & Weber County							
Hurricane City.....		N	PS	F		K	Smithfield City.....		N				K	Canal	C						K
Hyde Park		N					South Jordan City	C		PS	F		K	Davis Co. Mental Health	C	N			D		K
Hyrum City	C	N				K	South Ogden City		N	PS			K	Davis Co. Mosquito Abate..		N					K
Ivins Town		N				K	South Salt Lake City.....		N	PS	F	D	K	Davis County Housing.....	C						K
Kamas City.....	C	N	PS		D	K	South Weber City.....		N				K	Davis Co. Solid							
Kanab City		N	PS		D	K	Spanish Fork City.....		N	PS				Waste Mgt.....		N			D		K
Kanosh Town.....		N					Spring City.....		C					DDI Advantage.....		C					K
Kaysville City	C	N	PS				Springdale Town		N				K	Dixie Ctr. Spec.							
La Verkin City.....	C					K	Springville City.....	C	N	PS	F			Service Dist.....		N					K
Layton City.....	C	N	PS	F	D		St. George City.....	C	N	PS		D	K	Duchesne Co. Mosquito							
Lehi City.....	C	N	PS	F			Sunnyside City.....		N			D	K	District		C					
Levan Town		N					Sunset City.....	C	N	PS		D	K	Emery County							
Lewiston City.....		N				K	Syracuse City		N	PS		D	K	Nursing Home.....	C				D		K
Lindon City.....		N				K	Taylorville.....		N				K	Emery Water							
Logan City	C	N	PS	F	D	K	Tooele City.....	C	N	PS		D		Conser. Dist.		N					K
Manila Town.....		C					Tremonton City.....	C	N	PS		D	K	Farmington Area Pressurized							
Manti City.....	C	N				K	Vernal City.....	C	N	PS		K		Irrigation District.....		N					K
Mantua City.....		N	PS				Washington City.....	C	N				K	Five-Co. Association							
Mapleton City.....		N	PS				Washington Terrace		N	PS		D	K	of Govt.....	C	N			D		K
Meadow Town.....	C	N					Wellington City		N	PS			K	Four Corners Mental							
Midvale City	C	N	PS	F	D		Wellsville City.....		N				K	Health.....	C	N			D		K
Midway City	C	N				K	Wendover City.....		N	PS		D	K	Grand County Solid							
Milford City.....		N	PS			K	West Bountiful City	C		PS			K	Waste Mgmt.		N					K
Millville City.....		N			D	K	West Haven.....		N					Grand County Water							
Minersville.....		N				K	West Jordan City	C	N	PS	F	D		Conservancy District		N					
Moab City.....	C	N	PS		D	K	West Valley City.....	C	N	PS	F			Granger-Hunter Imp.							
Monroe City	C	N					West Point.....		N					District	C	N					D
Monticello City.....		N	PS				Willard City		N	PS				Gunnison Valley Hospital... C	N						K
Morgan City		N					Woods Cross City.....	C	N	PS		D	K	Heber Light & Power.....	C	N			D		K
Moroni City.....		N												Heber Valley Historic							
Mt Pleasant City.....	C	N	PS			K	Other Governmental Entities							Railroad Authority		N					K
Murray City	C	N	PS	F	D	K	Ashley Valley Sewer							Heber Valley							
Naples City.....	C		PS			K	Mgt. Bd.		N					Special District		N					
Nephi City.....	C	N	PS		D		Ashley Valley Water							Hooper Water							
Nibley City.....		N					& Sewer.....		N					Improv. Dist.....		N					
North Logan City.....	C		PS			K	Bear Lake Special							Housing Auth. of SLC.....	C	N					K
North Ogden City.....	C	N	PS	F			Service Dist.....		N				K	Housing Auth. of							
North Salt Lake City	C	N	PS		D	K	Bear River Assn. of Govts... C	N			D	K	SL County.....		N						
Ogden City.....	C	N	PS	F	D	K	Bear River Health District.. C	N			D	K	Kearns Improvement								
Orangeville City		N				K	Bear River Mental Health... C	N			D	K	District	C	N						K
Orderville Town		N					Bear River Water							Maesar Water Dist.....		N					
Orem City	C	N	PS	F	D		Conservancy.....		N				K	Magna Mosquito							
Panguitch City		N				K	Beaver County Special							Abatement		N					K
Park City	C	N	PS				Service Dist.....		N				K	Metro Water							
Parowan City	C	N	PS			K	Beaver Valley Hospital		N				K	District—SLC.....	C	N			D		K
Payson City	C	N	PS			K	Bona Vista Water							Midway Sanitation							
Perry City.....		N	PS			K	Improvement.....		N			D	K	District		N					K
Plain City		N				K	Bountiful Water District....		N			D	K	Moab Valley Fire Dist.		N		F			K

Participating Employers (Continued)

Employers Name	C	N	PS	F	D	K	Employers Name	C	N	PS	F	D	K	Employers Name
Mountain America Credit Union	C	N			D	K	Uintah Basin Assn. of Govt.		N					Inactive Units with Retirees American Fork Hospital Bay Area Refuse Disposal Bingham City Box Elder Co. Nursing Home Carbon County Hospital Carbon Nursing Home Coalville Health Center Dixie Hospital Emery Medical Center Four Corners Regional Hospital Genola Grand County Road Special Service District Hiawatha Town Honeyville Town I W Allen Hospital Jaub County Hospital Marysvale Town Metro Water District—Provo Midvale Wastewater Treatment Morgan County Library Oakley Town Paragonah Payson City Hospital Pioneer Care Center Reg 2 Law Enf Plan Agency Salt Lake County Fair San Juan County Hospital Six-County Economic Development Sugarhouse Park Authority Tooele Valley Hospital Trail Incorporated U of U Research Institute USU Comm Credit Union Uintah Basin Counsel Inc Uintah County Council on Aging Uintah County Hospital Utah Partnership for Education Economics Wasatch County Hospital Weber County Hospital Weber Economic Development Corp West Millard Hospital
Mountainland Assn. of Govt.	C	N			D		Uintah Basin Medical Center	C	N				K	
Nebo Credit Union		N				K	Uintah Basin Tri-County Mental Health		N				K	
North Davis County Sewer No. Emery Water Users Assn.	C	N					Uintah Co. Mosquito Abatement		N				K	
Park City Fire Service District		N		F		K	Uintah Special Service District		N					
Price River Water Improve.	C	N			D	K	Uintah Water Conserv. District		N					
Provo Housing Authority		N					Upper Country Water District		N					
Provo Reser. Water Users		N					Utah Assn. of Counties		N				K	
Provo River Water Users		N			D	K	Utah Co. Housing Authority	C	N				D	
Roy Water Conservancy District		N				K	Utah Co. Solid Waste Spec. Dist.		N				K	
SLC Employees Credit Union		N				K	Utah Lake Distributing Co.		N					
SLC Mosquito Abatement		N				K	Utah League of Cities & Towns		C					
SLC School Credit Union		N				K	Utah Local Governments Trust		N					
SLC Sub. Sanitation #1		N				K	Utah Municipal Power Agency		N				K	
SLC Sub. Sanitation #2		N				K	Utah Public Employees Assn.	C	N				K	
SL County Service Area #1		N				K	Utah State Fair Corporation		N				K	
SL County Service Area #2		N			D	K	Utah Zoological Society	C	N				K	
SL County Service Area #3		N			D	K	Valley Emergency Communication Center		N			D	K	
SL County Sewer Imp. District #1	C	N			D	K	Valley Mental Health	C	N			D	K	
SL Co. Water Conserv. District	C	N			D	K	Wasatch Front Reg. Council		C			D	K	
San Juan Mental Health/ Substance Abuse Dist.		N				K	Wasatch Mental Health	C	N			D	K	
Sandy Sub. Imp. District		N				K	Washington Co. Assn. for Retarded Citizens		N				K	
Six-Co. Assoc of Governments	C	N			D	K	Washington Co. Solid Waste #1	C	N				K	
Snyderville Basin	C	N			D	K	Washington Co. Water District		C				K	
Solitude Improve. Dist.		N				K	Weber Basin Water Conser.		N			D	K	
So. Davis Co. Sewer Imp. Dist.	C	N			D	K	Weber Co. Mosquito Abatement		N			D	K	
So. Davis Co. Water Imp. Dist.		N				K	Weber Human Services		N			D	K	
So. Davis Co. Fire Protection		N		F	D	K	Weber River Water Users		C				K	
Southeastern Utah A.O.G.	C	N			D	K	Western Kane Co.		N				K	
Southeastern Utah Health	C	N				K	White City Water Improvement District		N				K	
So. Ogden Conserv. District		N			D	K								
So. SL County Mosquito Abatement		N				K								
Southwest Center	C	N				K								
Southwest Utah District Health	C	N			D	K								
South Utah Valley Solid Waste		N				K								
St. George Housing Authority		N				K								
Taylorsville—Bennion Imp.	C	N			D	K								
Timpanogos Spec. Serv. Dist.	C	N												
Tri-City Golf Course		N				K								
Tridell-Lapoint Water District		N				K								
Uintah Basin Assistance Council		N												

Total Participating Employers

Participating Employers	358
Contributory	209
Noncontributory	344
Public Safety	116
Firefighters	33
Judges	1
Governors and Legislative	1
457 Plan	153
401(k) Plan	285



Utah Retirement Systems

540 East 200 South

Salt Lake City

Utah 84102-2099