

Utah Retirement Systems

A Component Unit of the State of Utah

2012 Comprehensive Annual Financial Report

for the Year Ended December 31, 2012



Noncontributory Retirement System
Contributory Retirement System
Public Safety Retirement System
Firefighters Retirement System
Judges Retirement System
Utah Governors and Legislators
Retirement Plan
Tier 2 Public Employees
Contributory Retirement System
Tier 2 Public Safety and Firefighters
Contributory Retirement System
401(k) and 457 Plans
Roth and Traditional IRAs
Health Reimbursement
Arrangement (HRA)



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, 2011

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.



Christopher P. Mosicell
President

Jeffrey R. Emmer
Executive Director



Public Pension Coordinating Council

**Public Pension Standards Award
For Funding and Administration
2012**

Presented to

Utah Retirement Systems

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

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)

National Conference on Public Employee Retirement Systems (NCPERS)

National Council on Teacher Retirement (NCTR)

Alan H. Winkle

Alan H. Winkle
Program Administrator

Utah Retirement Systems

A Component Unit of the State of Utah

2012 Comprehensive Annual Financial Report

for the Year Ended December 31, 2012

Annual
Financial
Report



Noncontributory Retirement System

Contributory Retirement System

Public Safety Retirement System

Firefighters Retirement System

Judges Retirement System

Utah Governors and Legislators Retirement Plan

Tier 2 Public Employees Contributory Retirement System

Tier 2 Public Safety and Firefighters Contributory Retirement System

401(k) and 457 Plans

Roth and Traditional IRAs

Health Reimbursement Arrangement (HRA)

Prepared by: Finance Department • Utah Retirement Systems

540 East 200 South • Salt Lake City, Utah 84102-2044

www.urs.org

Robert V. Newman, Executive Director

Robert K. Kellersberger, Finance Director

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Systems and Plans Statistical Highlights

(Inside back cover)

Utah Retirement Systems
Comprehensive
Annual Financial Report



Introductory

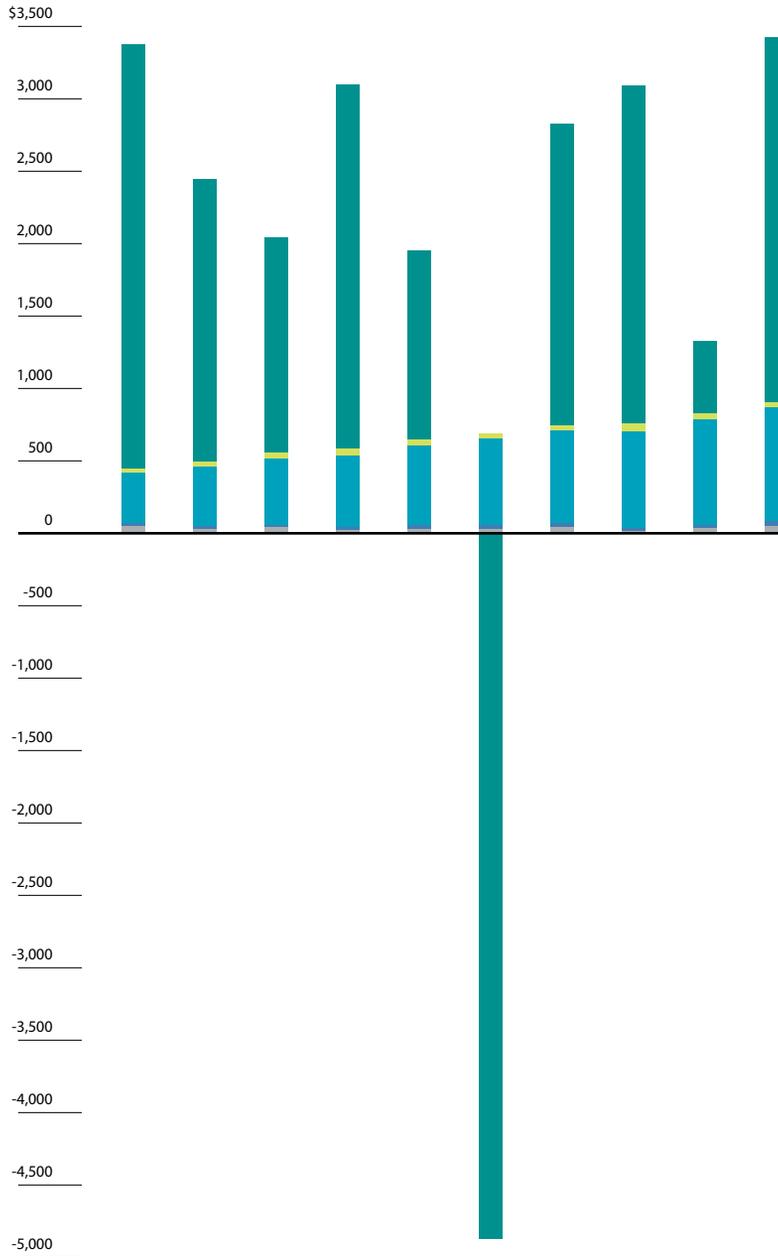
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- 10 **Organization Chart and Administrative Staff**
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All Retirement Systems

Additions by Source

(in millions)



(in millions)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------------|----------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|
| Net investment income (loss) | \$2,929 | 1,949 | 1,491 | 2,518 | 1,304 | (4,862) | 2,088 | 2,328 | 502 | 2,513 |
| Member contributions | 31 | 35 | 42 | 45 | 41 | 36 | 36 | 60 | 39 | 40 |
| Employer contributions | 369 | 436 | 479 | 523 | 581 | 629 | 647 | 682 | 739 | 796 |
| Court fees and fire insurance tax | 11 | 10 | 11 | 11 | 16 | 12 | 18 | 13 | 15 | 18 |
| Transfers from systems | 37 | 16 | 25 | 6 | 12 | 15 | 44 | 7 | 37 | 55 |
| Totals | \$3,377 | 2,446 | 2,048 | 3,103 | 1,954 | (4,170) | 2,833 | 3,090 | 1,332 | 3,422 |

Utah Retirement Systems

Letter of Transmittal

UTAH STATE RETIREMENT BOARD
UTAH RETIREMENT SYSTEMS
540 East 200 South
Salt Lake City, Utah 84102-2044
801-366-7700
800-365-8772
801-366-7734 FAX

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

April 19, 2013

Utah State Retirement Board
540 East 200 South
Salt Lake City, UT 84102-2044

Dear Board Members:

We are pleased to present the 2012 Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems), including the 401(k), 457, Roth and traditional IRAs, and the Health Reimbursement Arrangement (Plans). Together, the Systems and Plans constitute a component unit of the State of Utah, administered by the Utah State Retirement Board (Board) for calendar year 2012.

The financial reporting entity of the Systems and Plans include the Public Employees Noncontributory and Contributory Retirement Systems, for both government and public education employees, the Public Safety, Firefighters and Judges Retirement Systems, the Utah Governors and Legislators Retirement Plan, the Tier 2 Public Employees Contributory and Tier 2 Public Safety and Firefighters Contributory Retirement Systems, and the 401(k), 457, Roth and traditional IRAs, and Health Reimbursement Arrangement (HRA).

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

For financial reporting purposes, the Systems and Plans utilize Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Plans Other Than Pensions*, GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Assets of the Systems and Plans are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the required supplementary information following the notes to the basic financial statements.

The Utah Retirement Systems and 401(k), 457, Roth and traditional IRAs, and HRA were established by legislation and authorized as indicated in the notes to the basic financial statements on page 52. The Summaries of Plan Provisions are presented on pages 140 through 155. The number of active and retired members and beneficiaries for each system is presented in the Systems' Highlights on pages 12 through 28. The purpose of the Systems and Plans is to provide benefits for all eligible State, local government, and most public education employees whose employers have elected to participate. Services provided by the staff are performed to meet that objective.

Letter of Transmittal *(Continued)*

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) beginning on page 33 provides an overview and analysis of the Systems and Plans Basic Financial Statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Actuarial

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

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

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

Financial Information

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance 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. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived. This system includes written policies and procedures and an internal audit department that reports to the Board. Discussion and analysis of net assets and related additions and deductions is presented in the MD&A beginning on page 33.

Funding

Funds are derived from the excess of additions, which include contributions and investment earnings, over deductions, which are comprised of benefits and administrative expenses. Funds are accumulated to meet future benefit obligations to retirees and beneficiaries. This accumulated balance is referred to as the "net assets held in trust for pension benefits" in the Statements of Fiduciary Net Assets in the Financial Section of this report. The actuarial accrued liability is not disclosed in the basic financial statements, but is disclosed in the note 5 to the basic financial statements and in the required supplementary information. These schedules show the actuarial value of assets, which is based on a 5-year smoothed expected rate of return, wherein the excess or shortfall of investment income over or under the actuarial assumed income rate (currently 7.5%) is recognized over a 5-year period. This is the value of assets used by the actuary in determining contribution rates for the Systems as disclosed in note 5 to the basic financial statements. The current funded ratios at year end range from 73% to 100%.

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

Investments

The economic condition of the Systems is based primarily upon investment earnings. For 2012 the Systems experienced a 13.1% rate of return. 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 112 of this report.

Letter of Transmittal *(Concluded)*

The investment portfolio mix at fair value as of the end of 2012 is 18% debt securities, 36% equities, 11% private equity, 14% real assets, 6% short-term, and 15% absolute return. The 18% debt securities is comprised of 13% domestic and 5% international instruments. The 36% equities is comprised of 16% domestic and 20% international equities. See MD&A and Investment Section for more detailed analysis and information. The Systems' investment outlook is long term, allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category.

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

The investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. All collateral on deposits is held in the counterparties' joint custody accounts at the Federal Reserve Bank. On occasion, deposits may be significantly greater than collateral due to investment purchase "fails," receipt of interest earnings on the 15th of each month, and proceeds from investment sales and maturities. Of approximately \$26.4 billion in investments at fair value as of December 31, 2012, none of the investments were in the category of highest custodial credit risk as defined by GASB.

Independent Audit

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

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, 2011. 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 28 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 was awarded the Public Pension Coordinating Council Public Pension Standards 2012 Award. This award is in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

Acknowledgments

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

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

Sincerely yours,



Robert K. Kellersberger, CGFM
Finance Director



Robert V. Newman
Executive Director

Utah Retirement Systems

Board President's Letter

UTAH STATE RETIREMENT BOARD
UTAH RETIREMENT SYSTEMS
540 East 200 South
Salt Lake City, Utah 84102-2044
801-366-7700
800-365-8772
801-366-7734 FAX

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

April 19, 2013

Utah State Retirement Board
540 East 200 South
Salt Lake City, UT 84102-2044

Dear Members of the Retirement Systems:

As board members and trustees of the Utah Retirement Systems (URS) we have the responsibility to provide retirement benefits to eligible members for the valuable services they have rendered to the public. We serve to insure that members' interests are properly safeguarded. Thanks to prudent funding principles established over several decades by governors, legislatures, and boards, I can confidently report that the outlook for the Systems is positive.

Using a diversified investment portfolio strategy, URS returned a solid investment return of 13.1% for the year, exceeding its assumed investment earnings rate of 7.5%. This translated into net investment income of \$2.5 billion. Assets of the Defined Benefit systems increased by \$2.2 billion ending 2012 with total assets of \$22.2 billion. These figures reflect the Systems' diversified investment strategy that seeks to maximize long-term total returns consistent with prudent levels of risk. As of December 31, 2012, the actuarial funded status of the Retirement Systems was 76.5% and remains among the most well-funded statewide plans in the country.

Net assets of the URS Defined Contribution Retirement Savings Plans continue to grow and reached all-time highs. Members contributed \$261 million and at year end defined contribution assets were \$3.7 billion. I encourage members to continue contributing to these valuable retirement savings plans. I also encourage members to increase their knowledge of what they are investing in by taking advantage of the educational opportunities URS offers through the website and other means.

Members also benefit from the Membership Advisory Council, a valued body that keeps the Board and the Legislature abreast of the interest and concerns of the members, so they can be properly addressed. I express my appreciation for the breadth and depth of experience possessed by members of the Board, each of whom makes a valuable contribution to the success of the Utah Retirement Systems. The Board meets numerous times during the year and also spends considerable time preparing for those meetings.

As we look to the future, I want to emphasize that the Systems remain sound. Our retirees will continue to receive their monthly pension payments. Our working members will, upon retirement, receive their promised pension payments. I express the Board's confidence in, and appreciation to, Executive Director Robert Newman and his staff for their excellent management of the Systems.



Richard Ellis
President, Utah State Retirement Board

Back Row Left to Right

John L. Lunt

Appointed July 20, 2001
Term Expires July 1, 2013
Represents
Investment Community

Scott G. Berryessa

Appointed Sept. 15, 2010
Term Expires July 1, 2015
Represents
Education Employees

Phillip W. Clinger

Appointed June 21, 2002
Term Expires July 1, 2013
Represents
Investment Community

Edward T. Alter

Appointed February 2, 2012
Term Expires June 30, 2014
Represents
Investment Community

Front Row Left to Right

Vice President

Sheri K. Nelson

Appointed Sept. 15, 2010
Term Expires July 1, 2015
Represents
Public Employees

Kathryn D. Jones-Price

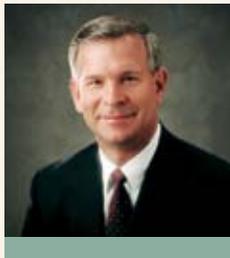
Appointed March 5, 2004
Term Expires July 1, 2013
Represents
Investment Community

President

Richard K. Ellis

State Treasurer
Member Since Jan. 5, 2009
Ex-officio Member

Executive Director



Robert V. Newman

Retirement Board



Membership Council

Executive Council Members:

Chairperson

Mr. Dean Drew

Represents Utah Public
Employees' Association

Vice Chairperson

Mr. Michael McDonough

Represents Utah
Education Association

Honorable Gregory Orme

Represents Utah
Judicial Council

Mr. Marty Peterson

Represents Professional
Firefighters of Utah

Ms. Lori Todd

Represents Utah School
Employees' Association

Council Members:

Mr. Fred Ash

Represents Utah Retired School Employees' Association

Representative Brad Dee

Represents Utah Association of Counties

Mr. Brian Gough

Represents Utah Public Employees' Association

Senior Trooper Arlow Hancock

Represents Utah Peace Officers' Association

Mr. Tom Hardy

Represents Utah League of Cities and Towns

Ms. Debra McBride

Represents Utah Association of Retired Public Employees

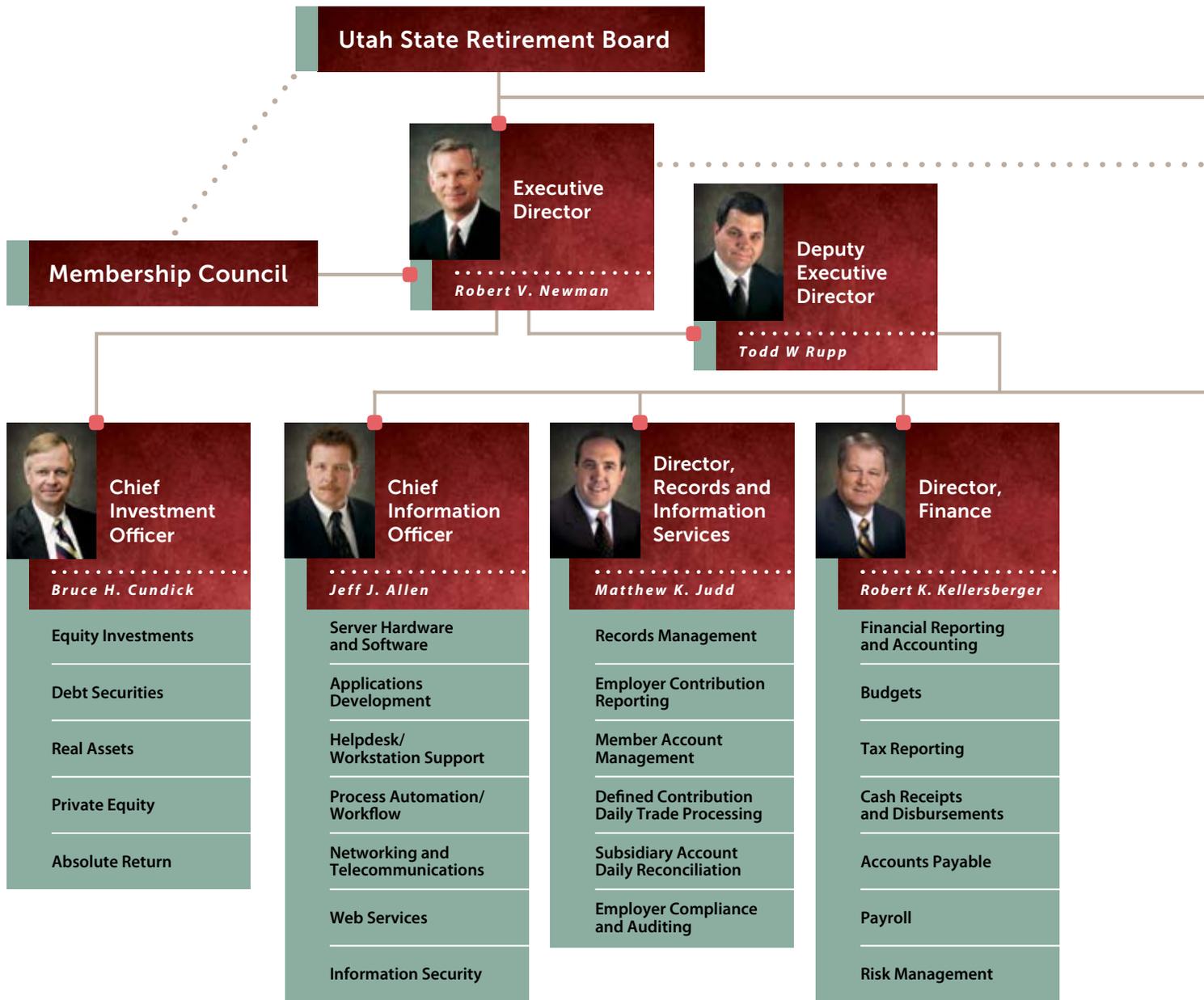
Mr. Tom Nedreberg

Represents Utah Education Association

Mr. Anthony Romanello

Represents Utah Education Association

Organization Chart



Administrative Staff

Robert V. Newman, CPA
Executive Director

Todd W Rupp, CPA
Deputy Executive Director

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

Bruce H. Cundick, CFA
Chief Investment Officer

Jeff J. Allen
Chief Information Officer

Matthew K. Judd
Director, Records and Information Services

Robert K. Kellersberger, CGFM
Director, Finance

Jeana L. Woffinden, SPHR
Director, Human Resources

Judy C. Lund
Director, Retirement

Craige D. Stone
Director, Defined Contribution Savings Plans

Ed K. Archer, CIA, CISA
Chief Compliance Officer — Investments



**Director,
Internal
Audit**

.....
Steven M. West

Professional Services

Actuary

Auditor

Legal Consultants

Investment Advisors

Detail for professional service providers is shown below. Investment professionals are presented on pages 114 and 119.



**Director,
Defined
Contribution
Savings Plans**

.....
Craig D. Stone

401(k) Plan

457 Plan

Traditional IRA

Roth IRA

Health Reimbursement Arrangement (HRA)



**Director,
Human
Resources**

.....
Jeana L. Woffinden

Human Resources

Safety/Security



**Director,
Retirement**

.....
Judy C. Lund

Retirement Benefits

Death Benefits

Redeposits and Purchases

Refunds

Branch Office



**Chief
Compliance
Officer —
Investments**

.....
Ed K. Archer

Investment Compliance

Proxy Voting

Professional Consultants

Actuary
Gabriel, Roeder, Smith & Company
5605 N. MacArthur Blvd., Suite 870
Irving, TX 75038-2631

Auditor
Deloitte & Touche LLP
Certified Public Accountants
299 South Main, Suite 1900
Salt Lake City, UT 84111

Legal Counsel
Howard, Andersen, Hansen
& Eves, LLC
560 East 200 South, Suite 200
Salt Lake City, UT 84102

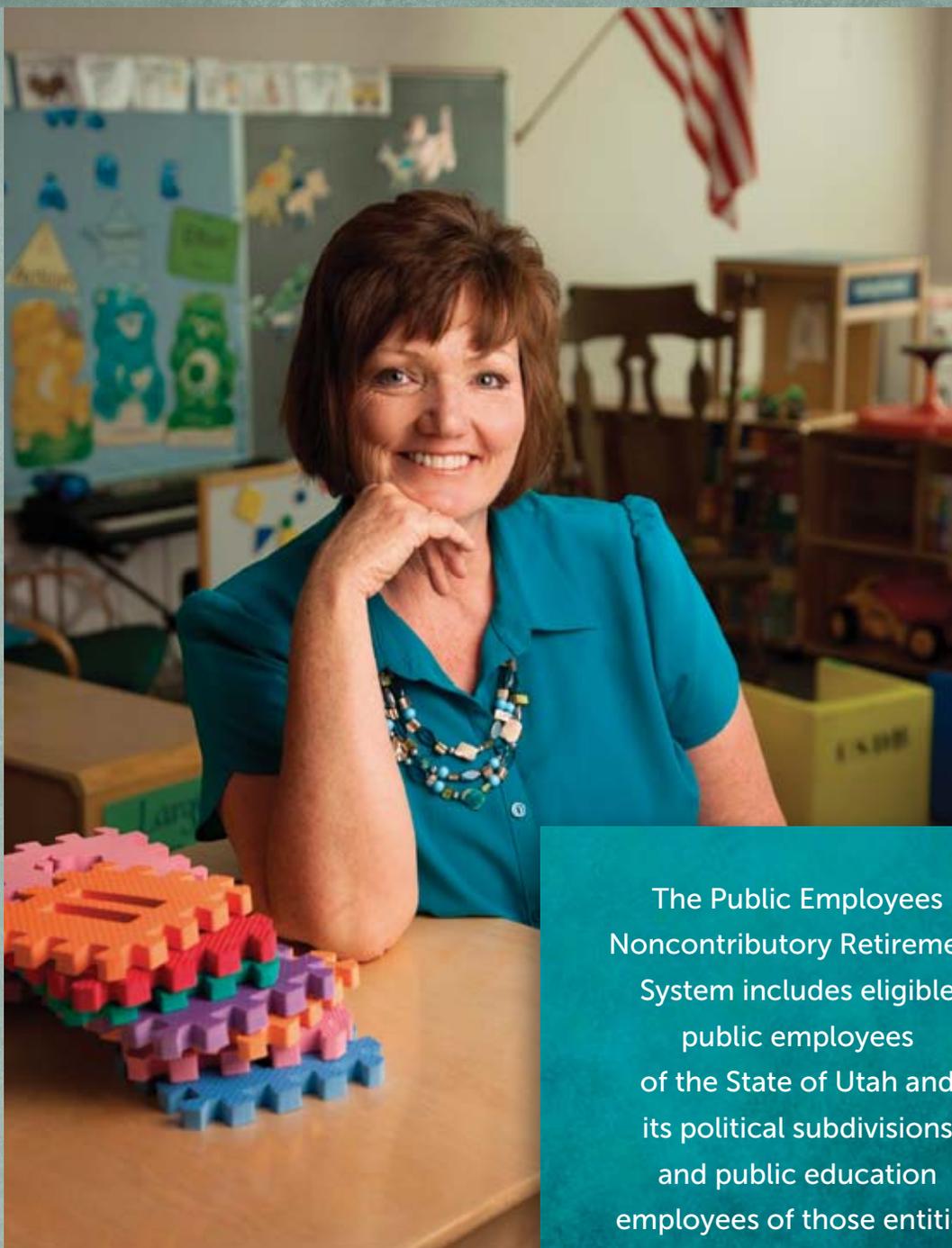
Other Consultants
Aon Global Risk Consulting
1901 Main Street, Suite 300
Irvine, CA 92614

Groom Law Group
1701 Pennsylvania Ave. NW
Washington, DC 20006

Ice Miller, LLP
One American Square
Suite 2900
Indianapolis, IN 46282

Noncontributory

Retirement System Highlights



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

Pictured: ANNETTE LOVELAND, Teacher, Utah School of the Deaf and Blind, Ogden

Noncontributory Retirement System Highlights

Composite Picture

| | |
|----------------------------------|----------|
| Total Membership | 157,834 |
| Active | 82,259 |
| Terminated vested | 35,119 |
| Retired | 40,456 |
| 2012 Active Members | 82,259 |
| Average age | 47.2 |
| Average years of service | 12.3 |
| Average annual salary | \$44,828 |

2012 Retirees

| | |
|--|----------|
| Number | 2,745 |
| Average age | 63.8 |
| Average years of service | 19.8 |
| Final average annual salary | \$46,004 |
| Average annual benefit | \$17,894 |
| Average annual benefit — all retirees | \$20,841 |

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

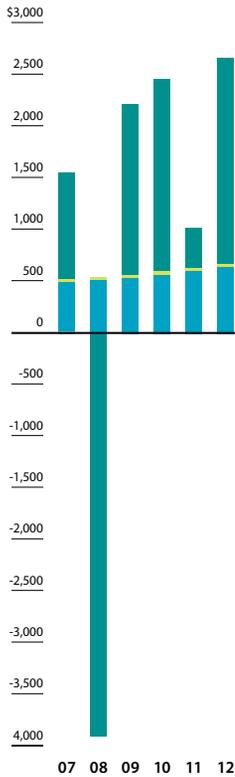
Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2012)

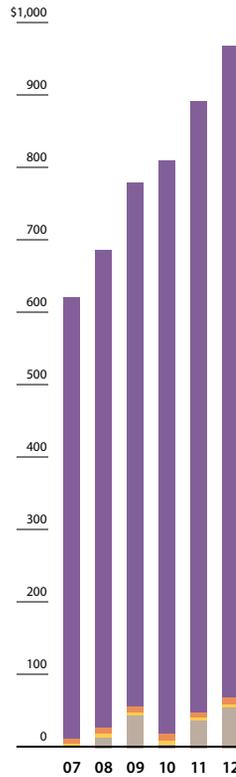
Employer rate for the State and School Division (Level A) is 18.76% of covered salary and 16.04% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 140.

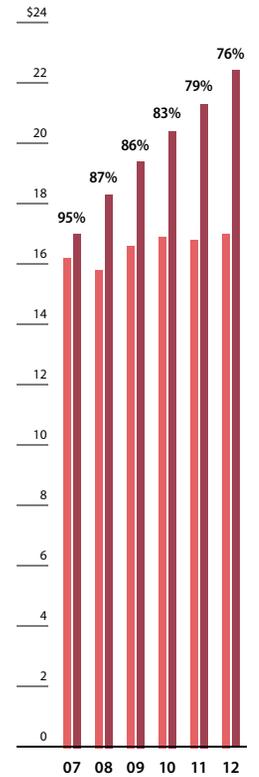
Additions by Source
(in millions)



Deductions by Type
(in millions)



Funding Progress with Funding Ratios
(dollars in billions)



Additions by Source (in millions)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|------------------|------------------|----------------|----------------|----------------|----------------|
| Investment income (loss) | \$1,041.4 | (3,888.6) | 1,667.5 | 1,861.0 | 401.1 | 2,001.0 |
| Member contributions | 18.2 | 14.1 | 14.1 | 33.5 | 12.9 | 15.0 |
| Employer contributions | 487.8 | 522.7 | 535.3 | 564.2 | 610.3 | 644.9 |
| Transfers from systems | 7.2 | — | — | — | — | — |
| Totals | \$1,554.6 | (3,351.8) | 2,216.9 | 2,458.7 | 1,024.3 | 2,660.9 |

Deductions by Type (in millions)

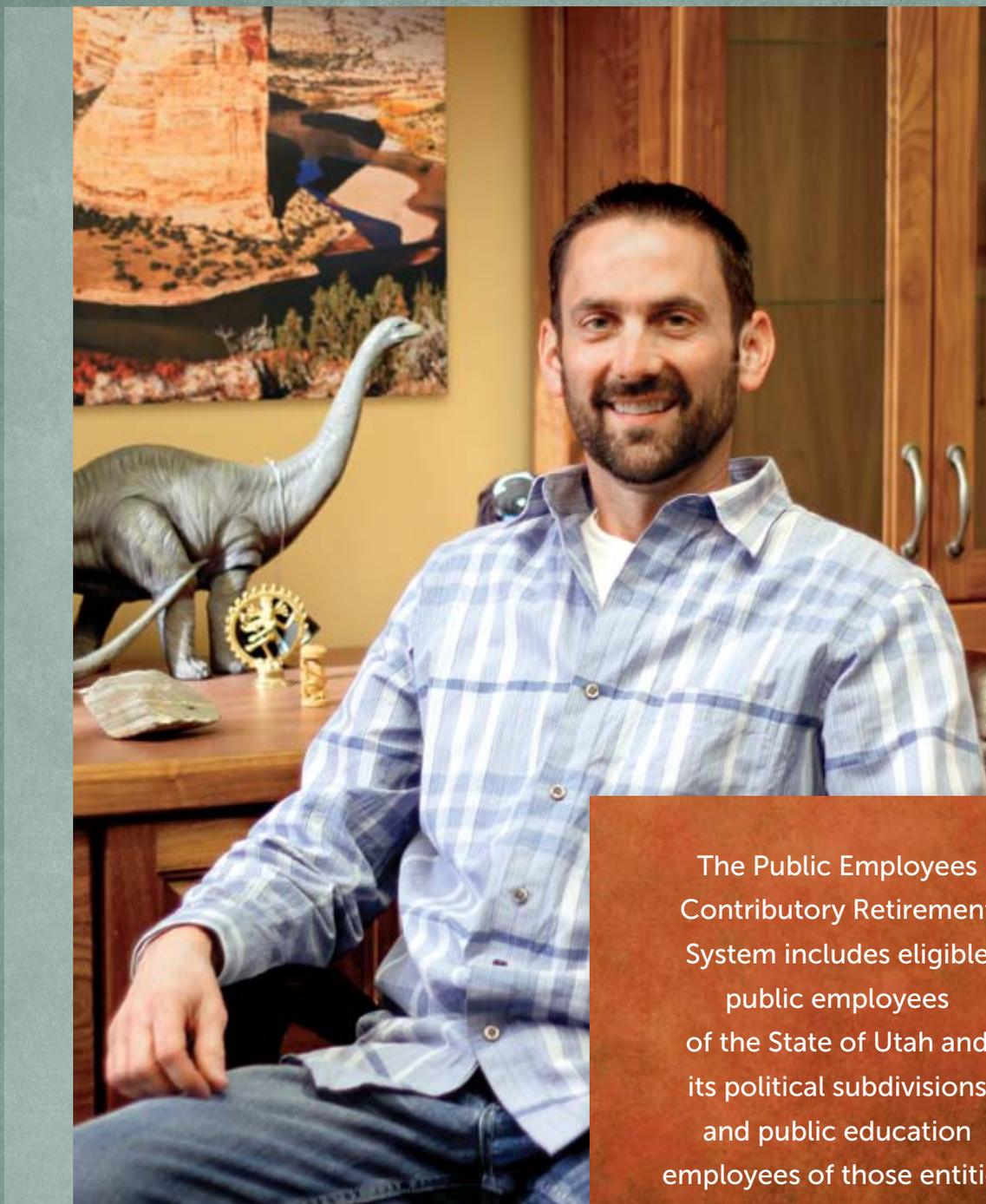
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|
| Benefit payments | \$ 609.5 | 659.8 | 723.1 | 793.8 | 843.7 | 900.1 |
| Administrative expense | 8.3 | 8.8 | 8.3 | 8.4 | 7.3 | 8.4 |
| Refunds | 3.4 | 2.5 | 2.9 | 3.6 | 2.5 | 2.9 |
| Transfers to systems | — | 14.5 | 44.4 | 3.2 | 37.5 | 55.6 |
| Totals | \$ 621.2 | 685.6 | 778.7 | 809.0 | 891.0 | 967.0 |

Funding Progress (dollars in billions)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| Actuarial value of assets | \$ 16.2 | 15.8 | 16.6 | 16.9 | 16.8 | 17.0 |
| Accrued actuarial liability | \$ 17.0 | 18.3 | 19.4 | 20.4 | 21.2 | 22.4 |
| Funding ratios | 95% | 87% | 86% | 83% | 79% | 76% |

Contributory

Retirement System Highlights



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

Pictured: LOREN ANDERSON, Deputy Attorney, Uintah County, Vernal

Contributory Retirement System Highlights

Composite Picture

| | |
|-------------------------------|-------|
| Total Membership | 7,464 |
| Active | 1,937 |
| Terminated vested | 1,157 |
| Retired | 4,370 |

| | |
|----------------------------------|----------|
| 2012 Active Members | 1,937 |
| Average age | 53.6 |
| Average years of service | 22.1 |
| Average annual salary | \$50,504 |

2012 Retirees

| | |
|--|----------|
| Number | 184 |
| Average age | 61.9 |
| Average years of service | 27.9 |
| Final average annual salary | \$47,817 |
| Average annual benefit | \$24,303 |
| Average annual benefit — all retirees | \$14,863 |

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 7-1-75 x 1.25% x FAS.*
- Number of years of service after 6-30-75 x 2.00% x FAS.*
- Plan 1 allowance = total of 1 and 2.

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

Cost-of-Living Allowance

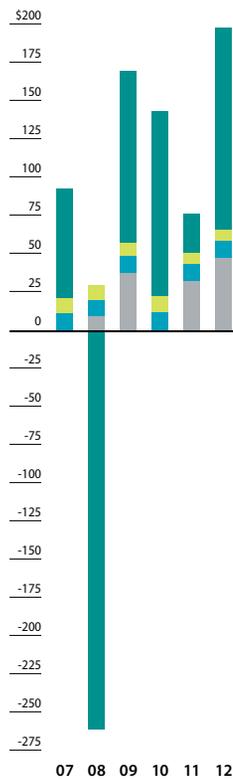
Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2012)

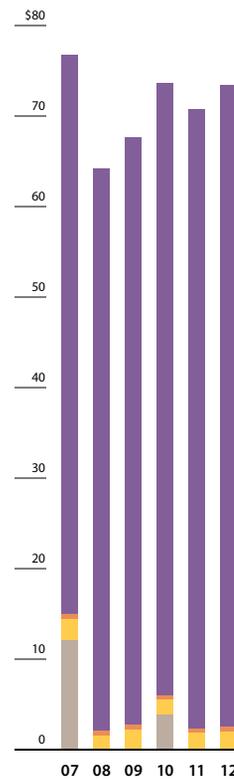
Member rate is 6.00% of covered salary. Employer rate for State and School Division (Level A) is 14.27% of covered salary and 12.03% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 141.

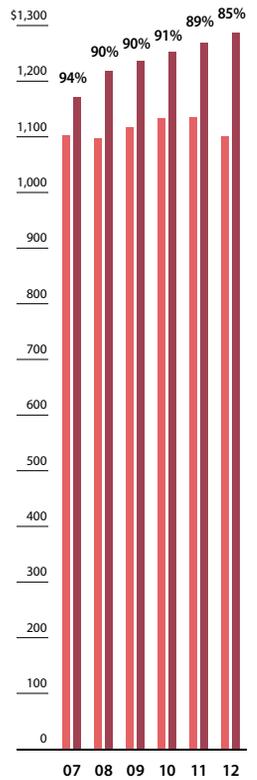
Additions by Source
(in millions)



Deductions by Type
(in millions)



Funding Progress with Funding Ratios
(dollars in millions)



Additions by Source (in millions)

| | | | | | | |
|--------------------------|----------------|----------------|--------------|--------------|-------------|--------------|
| Investment income (loss) | \$ 71.6 | (261.2) | 112.6 | 121.2 | 26.0 | 131.2 |
| Member contributions | 9.7 | 9.4 | 8.7 | 10.3 | 7.3 | 7.0 |
| Employer contributions | 11.2 | 11.0 | 10.9 | 11.9 | 11.1 | 11.7 |
| Transfers from systems | — | 9.0 | 37.6 | — | 32.1 | 47.1 |
| Totals | \$ 92.5 | (231.8) | 169.8 | 143.4 | 76.5 | 197.0 |

Deductions by Type (in millions)

| | | | | | | |
|------------------------|----------------|-------------|-------------|-------------|-------------|-------------|
| Benefit payments | \$ 61.7 | 62.1 | 64.8 | 67.6 | 68.4 | 70.9 |
| Administrative expense | 0.6 | 0.6 | 0.6 | 0.5 | 0.4 | 0.5 |
| Refunds | 2.3 | 1.5 | 2.2 | 1.6 | 1.9 | 2.0 |
| Transfers to systems | 12.1 | — | — | 3.9 | — | — |
| Totals | \$ 76.7 | 64.2 | 67.6 | 73.6 | 70.7 | 73.4 |

Funding Progress (dollars in millions)

| | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| Actuarial value of assets | \$1,102.1 | 1,097.7 | 1,116.7 | 1,132.7 | 1,135.3 | 1,094.9 |
| Accrued actuarial liability | \$1,170.3 | 1,218.6 | 1,236.0 | 1,251.4 | 1,269.0 | 1,286.0 |
| Funding ratios | 94% | 90% | 90% | 91% | 89% | 85% |

Public Safety

Retirement System Highlights



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

Pictured: CHRISTINE PETTY-BROWN, Detective, Salt Lake County Sheriff's Office

Public Safety Retirement System Highlights

Composite Picture

| | |
|-------------------------------|--------|
| Total Membership | 14,494 |
| Active | 7,313 |
| Terminated vested | 2,889 |
| Retired | 4,292 |

| | |
|----------------------------------|----------|
| 2012 Active Members | 7,313 |
| Average age | 40.5 |
| Average years of service | 9.6 |
| Average annual salary | \$48,416 |

2012 Retirees

| | |
|--|----------|
| Number | 195 |
| Average age | 54.9 |
| Average years of service | 21.4 |
| Final average annual salary | \$57,356 |
| Average annual benefit | \$28,745 |
| Average annual benefit — all retirees | \$27,693 |

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.

Cost-of-Living Allowance

Up to 2.5% or 4% (depending on employer) annually on original retirement benefit.

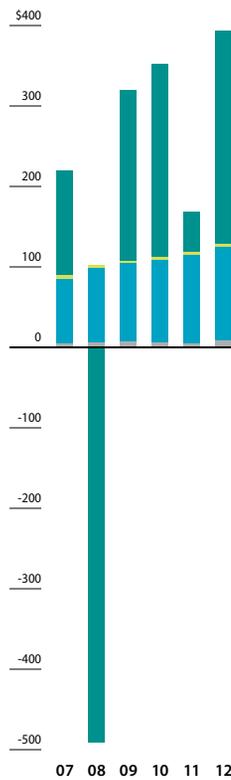
Contribution Rates (as of 12-31-2012)

Noncontributory — Employer rates range from 30.45% to 42.21% of covered salary.

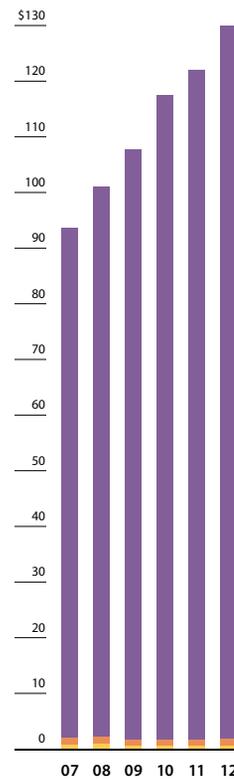
Contributory — Member rates range from 10.50% to 12.29% of covered salary. Employer rates range from 19.08% to 27.95% of covered salary.

For more detail see Summary of Plan Provisions on page 142.

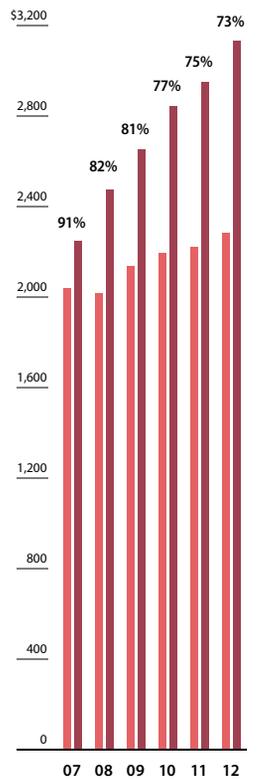
Additions by Source
(in millions)



Deductions by Type
(in millions)



Funding Progress with Funding Ratios
(dollars in millions)



Additions by Source (in millions)

| | | | | | | |
|--------------------------|-----------------|----------------|--------------|--------------|--------------|--------------|
| Investment income (loss) | \$ 130.7 | (491.0) | 213.6 | 241.2 | 52.7 | 266.8 |
| Member contributions | 4.3 | 2.2 | 1.6 | 1.7 | 1.1 | 1.2 |
| Employer contributions | 81.2 | 93.9 | 98.7 | 103.6 | 110.8 | 118.0 |
| Transfers from systems | 2.3 | 3.7 | 4.6 | 4.2 | 3.3 | 6.4 |
| Totals | \$ 218.5 | (391.2) | 318.5 | 350.7 | 167.9 | 392.4 |

Deductions by Type (in millions)

| | | | | | | |
|------------------------|----------------|--------------|--------------|--------------|--------------|--------------|
| Benefit payments | \$ 91.9 | 98.9 | 106.3 | 115.8 | 120.6 | 128.5 |
| Administrative expense | 1.1 | 1.2 | 1.1 | 1.1 | 1.0 | 1.2 |
| Refunds | 0.7 | 0.9 | 0.4 | 0.5 | 0.5 | 0.3 |
| Totals | \$ 93.7 | 101.0 | 107.8 | 117.4 | 122.1 | 130.0 |

Funding Progress (dollars in millions)

| | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| Actuarial value of assets | \$2,038.6 | 2,017.6 | 2,137.0 | 2,194.0 | 2,222.2 | 2,283.8 |
| Accrued actuarial liability | \$2,247.8 | 2,473.7 | 2,650.7 | 2,844.1 | 2,948.5 | 3,129.1 |
| Funding ratios | 91% | 82% | 81% | 77% | 75% | 73% |

Firefighters

Retirement System Highlights



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

Pictured: RYAN JENSEN, Firefighter, Unified Fire Authority, Magna

Firefighters Retirement System Highlights

Composite Picture

| | |
|----------------------------------|----------|
| Total Membership | 3,254 |
| Active | 1,884 |
| Terminated vested | 166 |
| Retired | 1,204 |
| 2012 Active Members | 1,884 |
| Average age | 40.6 |
| Average years of service | 11.2 |
| Average annual salary | \$56,507 |

2012 Retirees

| | |
|--|----------|
| Number | 35 |
| Average age | 56.3 |
| Average years of service | 26.1 |
| Final average annual salary | \$71,280 |
| Average annual benefit | \$42,510 |
| Average annual benefit — all retirees | \$32,584 |

Service Retirement

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

Service Benefit Formula

- 1.2.5% x FAS* x years of service up to 20 years.
2. 2.0% x FAS* x years of service over 20 years.
3. Monthly benefit = total of 1 and 2.

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

Cost-of-Living Allowance

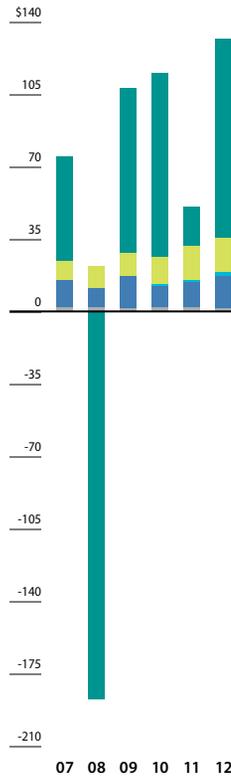
Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2012)

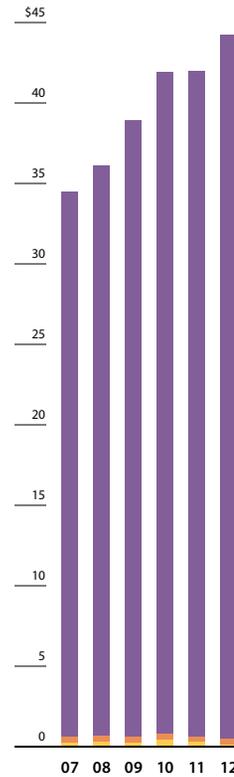
Member rate for Division A (with Social Security) is 15.05% of covered salary and 16.71% for Division B (without Social Security). Employer rate for Division A is 2.66% of covered salary and 2.08% for Division B.

For more detail see Summary of Plan Provisions on page 144.

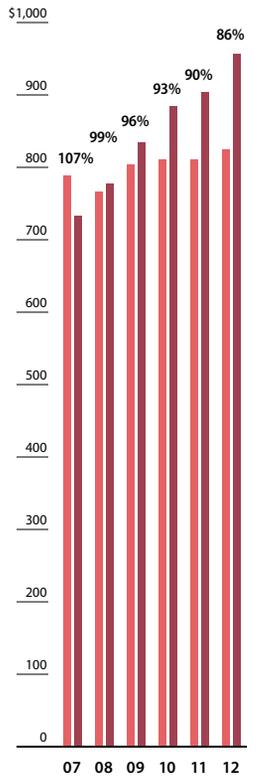
Additions by Source
(in millions)



Deductions by Type
(in millions)



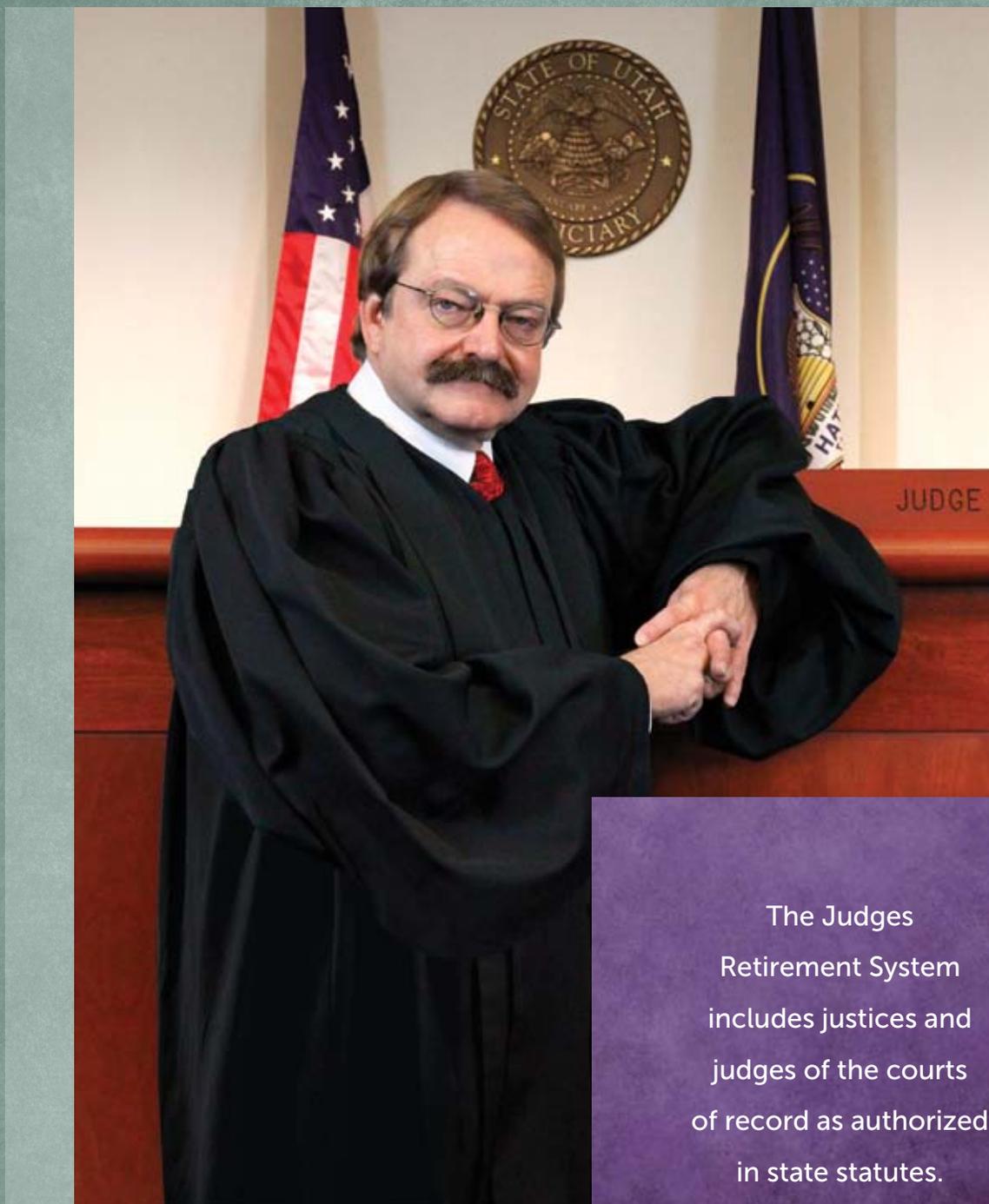
Funding Progress with Funding Ratios
(dollars in millions)



| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---------|---------|-------|-------|-------|-------|
| Additions by Source (in millions) | | | | | | |
| Investment income (loss) | \$ 50.7 | (188.1) | 79.8 | 89.1 | 19.2 | 96.3 |
| Member contributions | 9.2 | 10.4 | 11.3 | 14.1 | 17.3 | 17.5 |
| Employer contributions | — | — | — | 0.2 | 0.3 | 1.3 |
| Fire Insurance tax | 13.8 | 10.2 | 16.2 | 10.7 | 12.7 | 16.1 |
| Transfers from systems | 1.7 | 1.5 | 1.2 | 1.8 | 1.7 | 1.3 |
| Totals | \$ 75.4 | (166.0) | 108.5 | 115.9 | 51.2 | 132.5 |
| Deductions by Type (in millions) | | | | | | |
| Benefit payments | \$ 33.9 | 35.4 | 38.3 | 41.1 | 41.4 | 43.7 |
| Administrative expense | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.4 |
| Refunds | 0.2 | 0.3 | 0.2 | 0.4 | 0.3 | 0.1 |
| Totals | \$ 34.5 | 36.1 | 38.9 | 41.9 | 42.0 | 44.2 |
| Funding Progress (dollars in millions) | | | | | | |
| Actuarial value of assets | \$787.7 | 765.9 | 802.6 | 810.2 | 810.8 | 824.1 |
| Accrued actuarial liability | \$732.8 | 776.6 | 833.8 | 872.1 | 903.4 | 955.7 |
| Funding ratios | 107% | 99% | 96% | 93% | 90% | 86% |

Judges

Retirement System Highlights



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

Pictured: Judge GREGORY K. ORME, Utah State Court of Appeals, Salt Lake City

Judges Retirement System Highlights

Composite Picture

| | |
|----------------------------------|-----------|
| Total Membership | 232 |
| Active | 111 |
| Terminated vested | 4 |
| Retired | 117 |
| 2012 Active Members | 111 |
| Average age | 57.4 |
| Average years of service | 10.7 |
| Average annual salary | \$132,644 |

2012 Retirees

| | |
|--|-----------|
| Number | 4 |
| Average age | 63.9 |
| Average years of service | 24.5 |
| Final average annual salary | \$132,290 |
| Average annual benefit | \$94,702 |
| Average annual benefit — all retirees | \$74,705 |

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.

Cost-of-Living Allowance

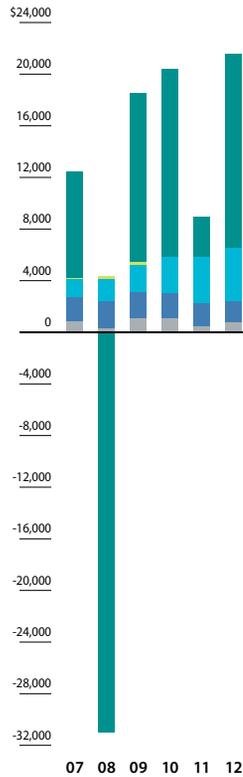
Up to 4% compounded annually.

Contribution Rates (as of 12-31-2012)

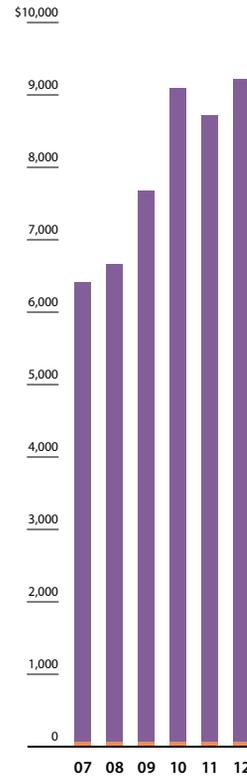
Employer rate is 32.87% of covered salary.

For more detail see Summary of Plan Provisions on page 146.

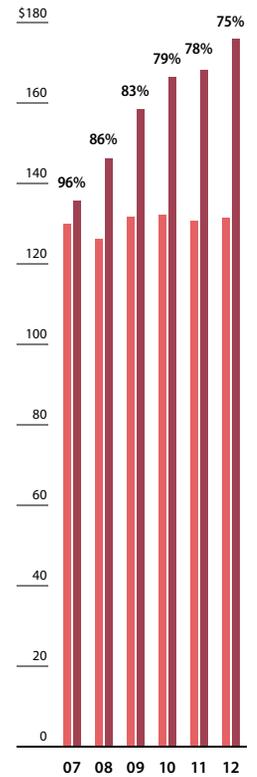
Additions by Source
(in thousands)



Deductions by Type
(in thousands)



Funding Progress with Funding Ratios
(dollars in millions)



Additions by Source (in thousands)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|-----------------|-----------------|---------------|---------------|--------------|---------------|
| Investment income (loss) | \$ 8,401 | (31,053) | 13,214 | 14,597 | 3,114 | 15,485 |
| Member contributions | 13 | 138 | 67 | — | — | — |
| Employer contributions | 1,360 | 1,730 | 2,083 | 2,771 | 3,588 | 4,232 |
| Court Fees | 1,850 | 2,072 | 2,101 | 1,944 | 1,815 | 1,666 |
| Transfers from systems | 841 | 294 | 1,027 | 1,078 | 390 | 710 |
| Totals | \$12,465 | (26,819) | 18,492 | 20,390 | 8,907 | 22,093 |

Deductions by Type (in thousands)

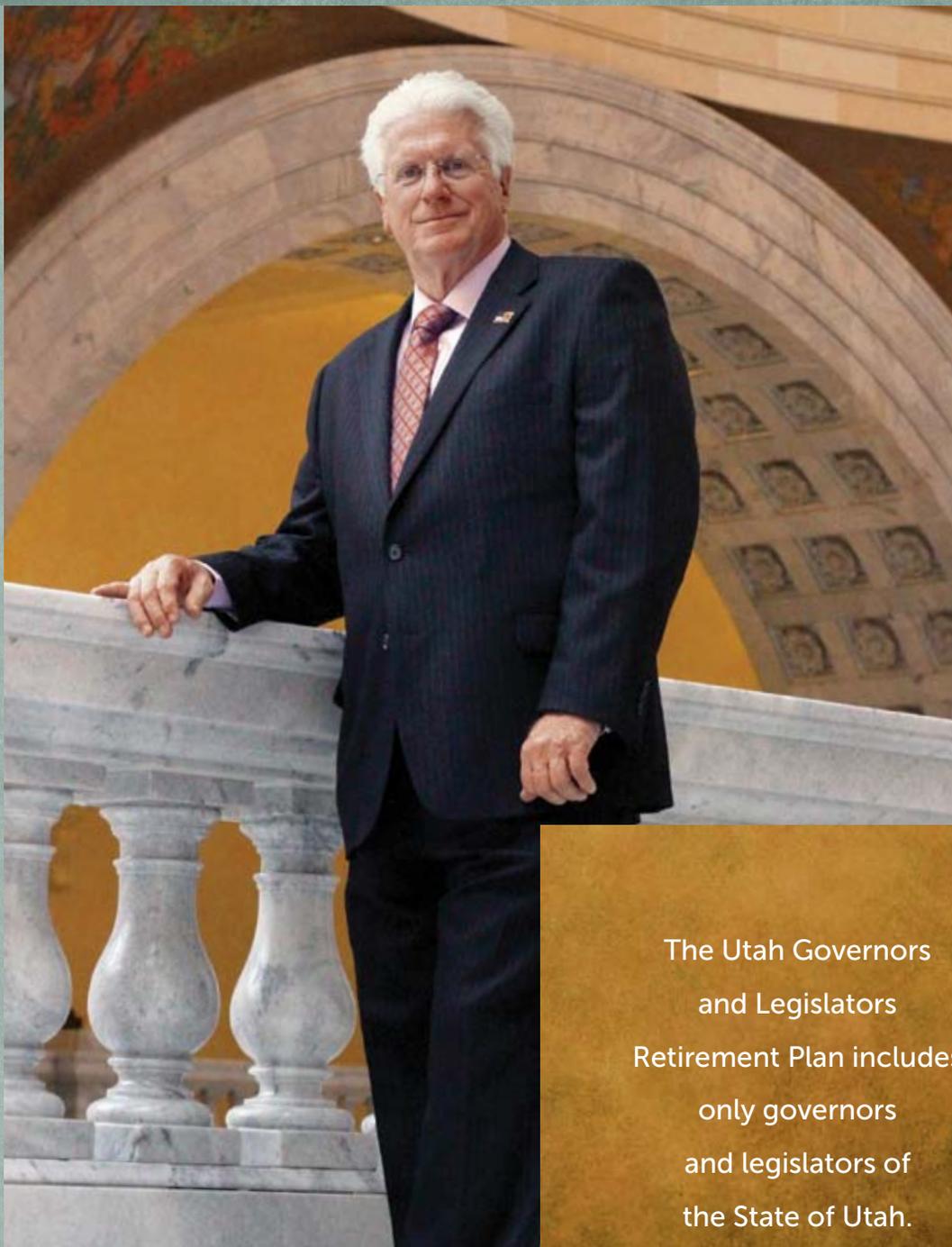
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|
| Benefit payments | \$ 6,335 | 6,580 | 7,595 | 9,010 | 8,649 | 9,135 |
| Administrative expense | 65 | 70 | 66 | 69 | 60 | 66 |
| Totals | \$ 6,400 | 6,650 | 7,661 | 9,079 | 8,709 | 9,201 |

Funding Progress (dollars in millions)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| Actuarial value of assets | \$ 129.8 | 126.1 | 131.5 | 131.9 | 130.6 | 131.2 |
| Accrued actuarial liability | \$ 135.4 | 146.0 | 158.3 | 167.6 | 168.0 | 175.8 |
| Funding ratios | 96% | 86% | 83% | 79% | 78% | 75% |

Utah Governors and Legislators

Retirement Plan Highlights



The Utah Governors
and Legislators
Retirement Plan includes
only governors
and legislators of
the State of Utah.

Pictured: DON L. IPSON, Utah State Representative, District 75, St. George

Utah Governors and Legislators Retirement Plan Highlights

Composite Picture

| | |
|-----------------------------------|---------|
| Total Membership | 418 |
| Active | 113 |
| Terminated vested | 81 |
| Retired | 224 |
| 2012 Active Members | 113 |
| Average age | 53.4 |
| Average years of service | 6.7 |
| Average annual salary | NA |
| 2012 Retirees | |
| Number | 8 |
| Average age | 65.4 |
| Average years of service | 7.2 |
| Final average annual salary | NA |
| Average annual benefit | \$2,264 |
| Average annual benefit — | |
| all retirees | \$3,160 |

Service Retirement

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

Service Benefit Formula

Governors — \$500*per month per term.

*Increased semi-annually up to 2% based on the Consumer Price Index. The amount as of 12-31-12 is \$1,280 per term.

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

**Increased semi-annually up to 2% based on the Consumer Price Index. The amount as 12-31-12 is \$28.00 per term.

Cost-of-Living Allowance

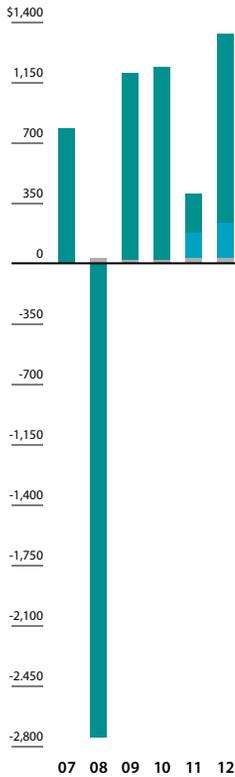
Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2012)

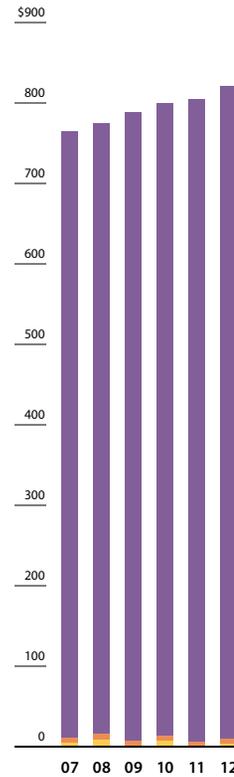
There was a 2011-12 appropriation payable by June 30, 2012, to the Utah Governors and Legislators Retirement Plan of \$214,076.

For more detail see Summary of Plan Provisions on page 147.

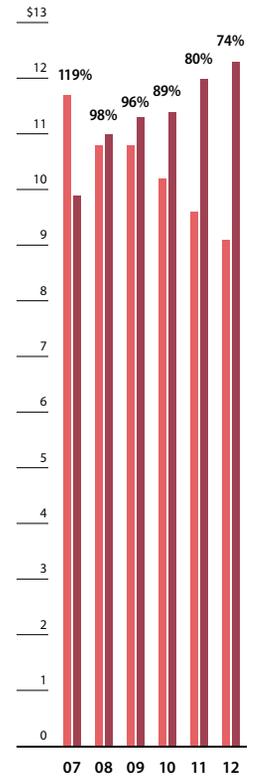
Additions by Source
(in thousands)



Deductions by Type
(in thousands)



Funding Progress with Funding Ratios
(dollars in millions)



Additions by Source (in thousands)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|---------------|----------------|--------------|--------------|------------|--------------|
| Investment income (loss) | \$ 780 | (2,763) | 1,098 | 1,142 | 231 | 1,100 |
| Employer contributions | — | — | — | — | 153 | 214 |
| Transfers from systems | 18 | 17 | 9 | 2 | 17 | 19 |
| Totals | \$ 798 | (2,746) | 1,107 | 1,144 | 401 | 1,333 |

Deductions by Type (in thousands)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------|---------------|------------|------------|------------|------------|------------|
| Benefit payments | \$ 758 | 763 | 784 | 790 | 801 | 815 |
| Administrative expense | 5 | 5 | 5 | 5 | 4 | 5 |
| Refunds | 2 | 7 | — | 5 | — | 1 |
| Totals | \$ 765 | 775 | 789 | 800 | 805 | 821 |

Funding Progress (dollars in millions)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------|-------------|------------|------------|------------|------------|------------|
| Actuarial value of assets | \$ 11.7 | 10.8 | 10.8 | 10.2 | 9.6 | 9.1 |
| Accrued actuarial liability | \$ 9.9 | 11.0 | 11.3 | 11.5 | 12.0 | 12.3 |
| Funding ratios | 119% | 98% | 96% | 89% | 80% | 74% |

Tier 2 Public Employees

Contributory Retirement System Highlights



The Tier 2 Public Employees Contributory Retirement System includes eligible employees of the State of Utah and its political subdivisions and public education employees of those entities covered by the System.

Pictured: TYLER NEMCEK, Collection System Lineman,
South Davis Water District, West Bountiful

Tier 2 Public Employees Contributory Retirement System Highlights

Composite Picture

| | |
|----------------------------------|----------|
| Total Membership | 10,356 |
| Active | 10,356 |
| Terminated vested | — |
| Retired | — |
| 2012 Active Members | 10,356 |
| Average age | 34.0 |
| Average years of service | 0.6 |
| Average annual salary | \$27,030 |

2012 Retirees

| | |
|--|-----|
| Number | — |
| Average age | — |
| Average years of service | — |
| Final average annual salary | \$— |
| Average annual benefit | \$— |
| Average annual benefit — all retirees | \$— |

Service Retirement

| Age | Years of Service | Allowance Reduction |
|---------|------------------|------------------------------|
| Any age | 35 | None |
| 60-61 | 20 | Full actuarial before age 65 |
| 62-64 | 10 | Full actuarial before age 65 |
| 65 | 4 | None |

Service Benefit Formula

Number of years of service x 1.5% x FAS.*

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

Cost-of-Living Allowance

Up to 2.5% annually on original retirement benefit.

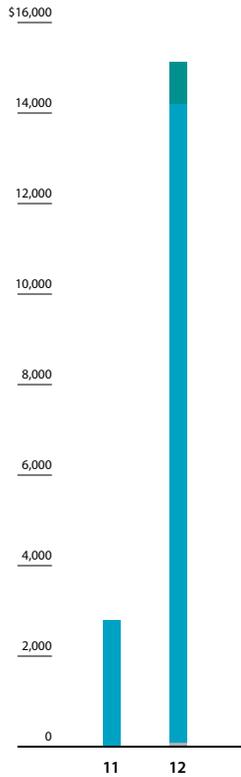
Contribution Rates (as of 12-31-2012)

Employer rates range from 14.33% to 16.65% of covered salary.

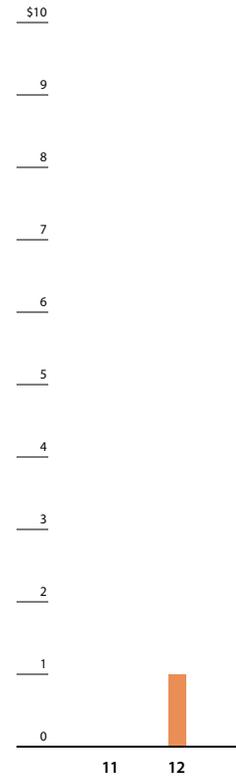
(Includes active member death benefit and Tier 1 amortization rate.)

For more detail see Summary of Plan Provisions on page 147.

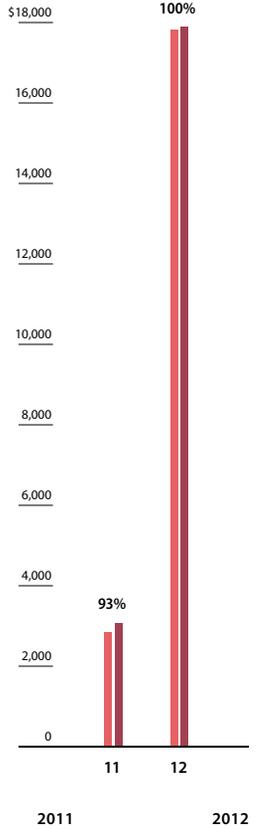
Additions by Source
(in thousands)



Deductions by Type
(in thousands)



Funding Progress with Funding Ratios
(dollars in thousands)



Additions by Source (in thousands)

| | | |
|------------------------|----------------|---------------|
| Investment income | \$ 9 | 922 |
| Employer contributions | 2,790 | 14,208 |
| Transfer from systems | — | 5 |
| Totals | \$2,799 | 15,135 |

Deductions by Type* (in thousands)

| | | |
|------------------------|-------------|----------|
| Benefit payments | \$ — | — |
| Administrative expense | — | 1 |
| Refunds | — | — |
| Totals | \$ — | 1 |

Funding Progress (dollars in thousands)

| | | |
|-----------------------------|------------|-------------|
| Actuarial value of assets | \$2,833 | 17,818 |
| Accrued actuarial liability | \$3,055 | 17,890 |
| Funding ratios | 93% | 100% |

*There are no retirees in the Tier 2 Retirement Systems.
New system additional years added as they become available.

Tier 2 Public Safety and Firefighters

Contributory Retirement System Highlights



The Tier 2 Public Safety and Firefighters Contributory Retirement System includes eligible state and local governmental employees directly involved in law enforcement or directly involved in fire fighting and whose duties are classified as hazardous.

Pictured: ERIC HOCKRIDGE, Firefighter, Park City Fire District, Park City

Tier 2 Public Safety and Firefighters Contributory Retirement System Highlights

Composite Picture

| | |
|-------------------------------|-----|
| Total Membership | 477 |
| Active | 477 |
| Terminated vested | — |
| Retired | — |

| | |
|----------------------------------|----------|
| 2012 Active Members | 477 |
| Average age | 29.6 |
| Average years of service | 0.6 |
| Average annual salary | \$33,394 |

2012 Retirees

| | |
|--|-----|
| Number | — |
| Average age | — |
| Average years of service | — |
| Final average annual salary | \$— |
| Average annual benefit | \$— |
| Average annual benefit — all retirees | \$— |

Service Retirement

| Age | Years of Service | Allowance Reduction |
|---------------|------------------|------------------------------|
| Any age | 25 | None |
| 60-61 | 20 | Full actuarial before age 65 |
| 62-64 | 10 | Full actuarial before age 65 |
| 65 | 4 | None |

Service Benefit Formula

Number of years of service x 1.50% x FAS.*

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

Cost-of-Living Allowance

Up to 2.5% annually on original retirement benefit.

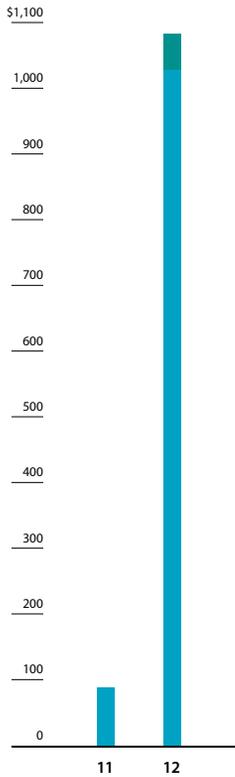
Contribution Rates (as of 12-31-2012)

Employer rates range from 12.19% to 31.87% of covered salary.

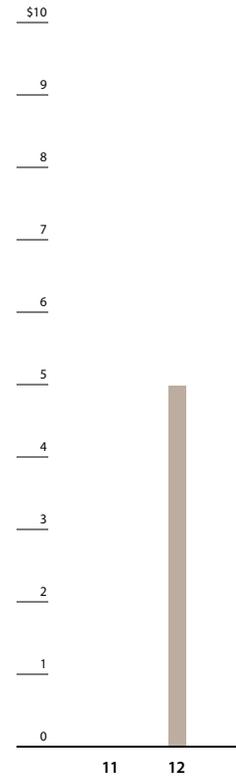
(Includes active member death benefit and Tier 1 amortization rate.)

For more detail see Summary of Plan Provisions on page 149.

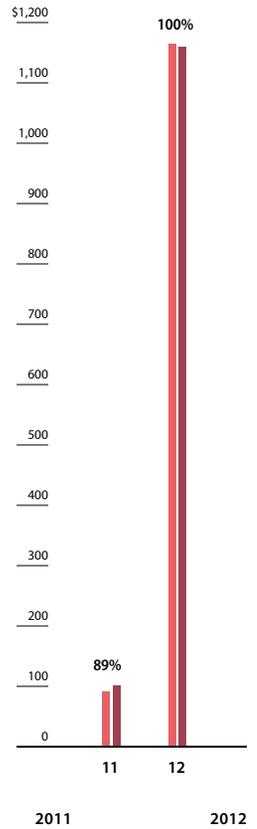
Additions by Source
(in thousands)



Deductions by Type
(in thousands)



Funding Progress with Funding Ratios
(dollars in thousands)



Additions by Source (in thousands)

| | | |
|------------------------|--------------|--------------|
| Investment income | \$ — | 56 |
| Employer contributions | 89 | 1,031 |
| Totals | \$ 89 | 1,087 |

Deductions by Type* (in thousands)

| | | |
|------------------------|-------------|----------|
| Benefit payments | \$ — | — |
| Administrative expense | — | — |
| Refunds | — | — |
| Transfers to systems | — | 5 |
| Totals | \$ — | 5 |

Funding Progress (dollars in thousands)

| | | |
|-----------------------------|------------|-------------|
| Actuarial value of assets | \$ 90 | 1,161 |
| Accrued actuarial liability | \$101 | 1,157 |
| Funding ratios | 89% | 100% |

*There are no retirees in the Tier 2 Retirement Systems.
New system additional years added as they become available.

Defined Contribution Savings Plans Highlights

The purpose of the Defined Contribution Savings Plans (401(k), 457, Roth and traditional IRAs) is to allow public employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their income in one or more of these retirement plans.

It has long been recognized that for employees to experience the comfortable and rewarding retirement they desire, they cannot rely entirely upon Social Security and their employer-provided retirement. Employees should take the initiative to personally put aside a portion of their salary into some type of long-term savings plan.

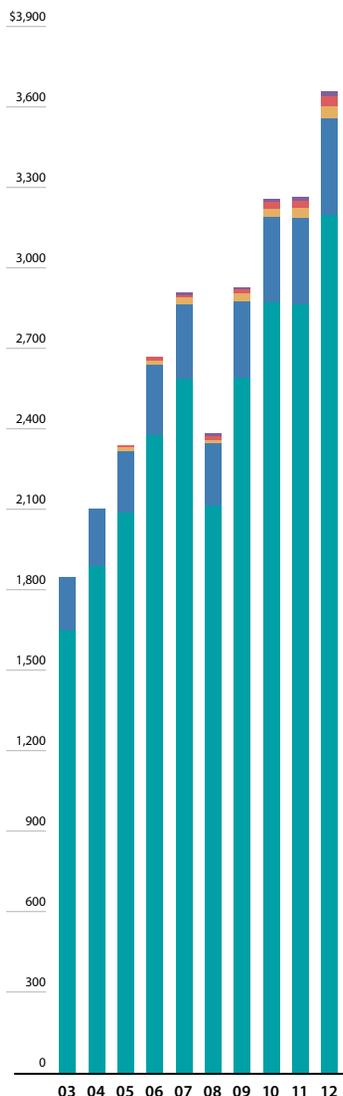
Each year the number of employees participating in these plans increases. Individuals may participate in more than one plan. As of December 31, 2012, the number of participants by investment plan was as shown below.

Annualized rates of returns for the Investment Funds are shown on page 117.

The Plans provide the following benefits:

- Convenient, automatic payroll deduction
- 11 investment options
- Brokerage window option
- Tax deferred and/or tax-free savings
- Increase or decrease contributions as often as every pay period
- Flexible payout options when eligible
- Upon death, funds transfer to beneficiaries (except HRA)
- No sales commissions
- Low investment and administrative fees
- Plan Loans (401(k) and 457)
- Hardship and emergency withdrawals
- Local customer service

Defined Contributions Member Balances
(in millions)



Membership Information

at December 31, 2012

| | 401(k) | 457 | Roth IRA | Traditional IRA | HRA |
|--|----------|----------|----------|-----------------|---------|
| Number of active employees eligible to participate | 104,410 | 98,052 | 104,450 | 104,450 | 1,899 |
| Employee contributions (excluding employer contributions): | | | | | |
| Number of employees contributing | 39,362 | 8,251 | 2,949 | 215 | NA |
| Percent of eligible employees contributing | 37.7% | 8.4% | 2.8% | 0.2% | NA |
| Average% of salary deferred by employees | 5.7% | 6.0% | 3.7% | 2.8% | NA |
| Total participants | 150,242 | 16,623 | 3,996 | 891 | 1,899 |
| Average participant account balance | \$21,385 | \$21,680 | \$8,446 | \$43,316 | \$6,039 |

Defined Contributions Member Balances

at December 31, 2012

(in millions)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| HRA | \$ — | — | — | — | 1 | 2 | 3 | 6 | 9 | 11 |
| Roth IRA | — | — | 1 | 4 | 6 | 7 | 12 | 21 | 24 | 34 |
| Traditional IRA | — | — | 7 | 12 | 18 | 19 | 22 | 26 | 30 | 39 |
| 457 | 196 | 213 | 230 | 259 | 277 | 229 | 284 | 317 | 321 | 360 |
| 401(k) | 1,653 | 1,891 | 2,104 | 2,389 | 2,604 | 2,132 | 2,608 | 2,887 | 2,881 | 3,213 |
| Totals | \$1,849 | 2,104 | 2,342 | 2,664 | 2,906 | 2,389 | 2,929 | 3,257 | 3,265 | 3,657 |

Utah Retirement Systems
Comprehensive
Annual Financial Report



Financial
SECTION

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Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

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Utah State Retirement Board:

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board, which comprise the statements of fiduciary net assets of the pension (and other employee benefit) trust funds as of December 31, 2012, and the related statements of changes in fiduciary net assets of the pension (and other employee benefit) trust funds for the year then ended, and the related notes to the financial statements which collectively comprise Utah Retirement Systems' basic financial statements as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Utah Retirement Systems' preparation and fair presentation of the financial statements

in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Utah Retirement Systems' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referenced above present fairly, in all material respects, the fiduciary net assets of the pension (and other employee benefit) trust funds of Utah Retirement Systems, administered by the Utah State Retirement Board, at December 31, 2012, and the changes in fiduciary net assets of the pension (and other employee benefit) trust funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the financial statements include investments that are not listed on national exchanges or for which quoted market prices are not available. These investments include private equities, absolute returns, and investments in real assets. Such investments totaled \$9.2 billion (35.7% of total assets) at December 31, 2012. Where a publicly listed price is not available, the management of Utah Retirement Systems uses alternative sources of information including audited financial statements, unaudited interim reports, independent appraisals, and similar evidence to determine the fair value of the investments. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Utah Retirement Systems' 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our

Independent Auditors' Report *(Concluded)*

report dated April 18, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Funding Progress and of Employer Contributions, listed in the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Utah Retirement Systems' basic financial statements. The supplementary financial supporting schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary financial supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Introductory Section, Investment Section, Actuarial Section, and Statistical Section listed in the foregoing table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2013 on our consideration of Utah Retirement Systems' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Utah Retirement Systems' internal control over financial reporting and compliance.

Deloitte & Touche LLP

April 19, 2013



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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Utah State Retirement Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board, which comprise the statements of fiduciary net assets of the pension (and other employee benefit) trust funds as of December 31, 2012, and the related statements of changes in fiduciary net assets of the pension (and other employee benefit) trust funds for the year then ended, and the related notes to the financial statements, which collectively comprise Utah Retirement Systems' basic financial statements, and have issued our report thereon dated April 19, 2013, which included an emphasis-of-matter paragraph regarding the fair value of investments where a publicly listed price is not available.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Utah Retirement Systems' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Utah Retirement Systems' internal control. Accordingly, we do not express an opinion on the effectiveness of Utah Retirement Systems' internal control.

A *deficiency in internal control* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Utah Retirement System's financial statements will not be prevented, or detected and corrected on a timely

basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Utah Retirement Systems' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and the Utah Retirement Systems' policies regarding purchasing, personnel, budgeting, and investments, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Utah Retirement Systems' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Utah Retirement Systems' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

April 19, 2013

Utah Retirement Systems

Management's Discussion and Analysis



Introduction

MD&A

This section presents management's discussion and analysis of the Utah Retirement Systems' (URS) financial position and performance for the year ended December 31, 2012. It is presented as a narrative overview and analysis. Please read it in conjunction with the Letter of Transmittal included in the Introductory Section, the financial statements and other information that are presented in the Financial Section of this Comprehensive Annual Financial Report. URS is responsible for administering retirement and defined contribution benefits



for State, local government, and public education employees in the State of Utah. URS is composed of eight defined benefit pension systems (Systems) and five defined contribution plans (Plans). The eight defined benefit pension systems are the Public Employees Noncontributory Retirement System (Noncontributory System), the Public Employees Contributory Retirement System (Contributory System), the Public Safety Retirement System (Public Safety System), the Firefighters Retirement System (Firefighters System), the Judges Retirement System (Judges System), the Utah Governors and Legislators Retirement Plan (Governors and Legislators Plan), Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System), and the Tier 2 Public Safety and Firefighters Contributory Retirement System (Tier 2 Public Safety and Firefighters System). The five defined contribution plans (Plans) are the 401(k), 457, Roth and traditional IRAs, and Health Reimbursement Arrangement. All of these Systems and Plans are defined as pension (and other employee benefit) trust funds, which are fiduciary funds. Throughout this discussion and analysis units of measure (i.e., billions, millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

Financial Highlights

- The URS Defined Benefit Pension Systems' combined total net assets increased by \$2.2 billion, or 11% during calendar year 2012. The increase was primarily due to the increase in the markets.
- The URS Defined Benefit Pension Systems' rate of return on investments during calendar year 2012 was 13.10% compared with the calendar year 2011 rate of return of 2.89%. The increase in rate of return was due primarily to the increase in market performance in 2012.
- The URS Defined Benefit Pension Systems were actuarially funded at an average of 79.5% as of January 1, 2012, a decrease from the comparative average of 82.8% as of January 1, 2011. During 2012 the funded ratio decreased from 79.5% at the beginning of the year to 76.5% as of December 31, 2012, due to lower than expected investment results over the previous five years.

Management's Discussion and Analysis *(Continued)*

- The Defined Contribution Plans' net assets increased \$391 million during calendar year 2012 primarily due to investment gains.
- The Defined Contribution Plans' rates of return for investment options ranged from a high of 21.86% to a low of 1.92% compared to prior year investment option returns of a high of 5.09% and a low of negative 14.09%.



Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the URS financial reporting, which is comprised of the following components:

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

Collectively, this information presents the combined net assets held in trust for pension benefits for each of the funds administered by URS as of December 31, 2012. This financial information also summarizes the combined changes in net assets held in trust for pension benefits for the year then ended. The information in each of these components is briefly summarized as follows:

1) Basic Financial Statements

For the calendar year ended December 31, 2012, basic financial statements are presented for the fiduciary funds administered by URS. Fiduciary funds are used to account for resources held for the benefit of the participants outside of URS. The fiduciary funds are comprised of 13 pension (and other employee benefit) trust funds that consist of eight defined benefit systems and five defined contribution plans.

- The Statements of Fiduciary Net Assets are presented for the pension trust funds at December 31, 2012, with combined total comparative information at December 31, 2011. These financial statements reflect the resources available to pay benefits to members, including retirees and beneficiaries, at the end of the years reported.
- The Statements of Changes in Fiduciary Net Assets are presented for the pension trust funds for the year ended December 31, 2012, with combined total comparative information for the year ended December 31, 2011. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries, for calendar years 2012 and 2011.

2) Notes to the Basic Financial Statements

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

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



Management’s Discussion and Analysis *(Continued)*

- Note 3 describes deposits, investment risk disclosures, and additional information about cash, securities lending, and derivatives.
- Note 4 explains property and equipment of URS including depreciation and net carrying amounts.
- Note 5 provides information about actuarial values and methods for the defined benefit systems administered by URS.
- Note 6 provides information about contributions to the defined benefit systems administered by URS.
- Note 7 provides information about the funded status of the systems administered by URS.
- Note 8 explains transfers to or from affiliated systems.
- Note 9 describes supplemental benefits.
- Note 10 provides information about litigation.
- Note 11 describes commitments for investment funding.
- Note 12 provides information about pension plan participation.
- Note 13 provides information about URS post-employment benefits.
- Note 14 describes compensated absences and insurance reserves.
- Note 15 describes required supplementary information.
- Note 16 provides information about risk management of URS.
- Note 17 provides information about real estate liabilities.

3) Required Supplementary Information

The required supplementary information consists of two schedules and related notes concerning actuarial information, funded status, and required contributions of the defined benefit pension systems administered by URS.

4) Other Supplementary Schedules

Other schedules include more detailed information pertaining to the Systems and Plans as well as schedules of administrative expenses.



Financial Analysis of the Systems—Defined Benefit Plans

Investments

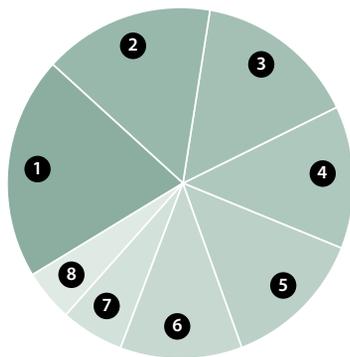
Investments of the URS Defined Benefit Systems are combined in a commingled investment pool as authorized by state statute. Each system owns an equity position in the pool and receives proportionate investment income from the pool in accordance with each respective ownership percentage.

Each system’s allocated share of each type of investment in the pool is shown in the Statement of Net Assets of each respective system. Investment gains or losses are reported in the Statement of

Changes in Fiduciary Net Assets of each retirement system. The rate of return on investments is therefore approximately the same for each of the systems.

Management’s Discussion and Analysis (Continued)

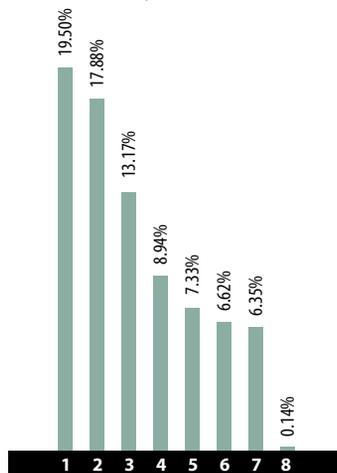
Defined Benefit Systems Investments at Fair Value



- 1 Equities, International (20.5%)
- 2 Equities, Domestic (15.7%)
- 3 Absolute Return (15.2%)
- 4 Real Assets (13.5%)
- 5 Debt Securities, Domestic (13.3%)
- 6 Private Equity (11.3%)
- 7 Short-Term Securities (5.9%)
- 8 Debt Securities, International (4.6%)

Defined Benefit Systems Investment Rates of Return by Investment Type for 2012

(in percents)



- 1 Equities, Domestic
- 2 Equities, International
- 3 Private Equity
- 4 Real Assets
- 5 Debt Securities, International
- 6 Absolute Return
- 7 Debt Securities, Domestic
- 8 Short-Term Securities

Systems’ Total Investments — As of December 31, 2012, URS Defined Benefit Systems had total net assets of \$22.2 billion, an increase of \$2.2 billion from calendar year 2011 investment totals. The combined investment portfolio experienced a return of 13.1% compared with the URS investment benchmark return of 12.23%. Investment results over time compared with URS benchmarks are presented on page 112 in the Investment Section.

Because the investment gain in all of the retirement systems was about 13.1% of net assets, further investment performance will not be evaluated in each respective system.

Equities — As of December 31, 2012, URS Defined Benefit Systems held \$8.3 billion in U.S. and international equity securities, an increase of \$949 million from year 2011. U.S. equity and international equity securities had returns of 19.50% and 17.88% respectively for calendar year 2012 compared to URS benchmark returns of 16.51% and 16.51% respectively.

Debt Securities — As of December 31, 2012, URS Defined Benefit Systems held \$4.1 billion in U.S. debt and international debt securities, an increase of \$70.5 million from year 2011. U.S. debt securities returned 6.35% while international debt securities returned 7.33% in calendar year 2012 compared with URS benchmark returns of 4.21% and 12.15% respectively.

Real Assets — As of December 31, 2012, URS Defined Benefit Systems held \$3.1 billion in real assets investments, an increase of \$208 million from year 2011. Real assets investments returned 8.94% in calendar year 2012 compared with URS benchmark return of 6.68%.

Private Equity — As of December 31, 2012, URS Defined Benefit Systems held \$2.6 billion in private equity investments, an increase of \$340 million from year 2011. Private equity investments returned 13.17% in calendar year 2012. The URS benchmark for private equity investments was 19.84%.

Short Term — As of December 31, 2012, URS Defined Benefit Systems held \$1.3 billion in short-term investments, an increase of \$320 million from year 2011. Short-term investments returned 0.14% in calendar year 2012 which compared to the URS benchmark return of 0.11%.

Absolute Return — As of December 31, 2012, URS Defined Benefit Systems held \$3.5 billion in absolute return investments, an increase of \$187 million from year 2011. Absolute return investments returned 6.62% in calendar year 2012 compared with URS benchmark return of 5.11%.

Securities Lending — The Systems earn additional investment income by lending investment securities to brokers. This is done on a pooled basis by URS’ custodial bank, The Northern Trust Company (TNT). The brokers provide collateral to TNT and generally use the borrowed securities to cover short sales and failed trades. TNT invests the cash collateral received from the brokers in order to earn interest. As of December 31, 2012, the Systems had \$1.55 billion on loan secured by collateral of \$1.59 billion. For calendar year 2012, net securities lending income to the Systems amounted to \$6.9 million, an increase of \$3.4 million over calendar year 2011. The increase in security lending revenue for year 2012 represents mainly an increase in demand by brokers to borrow available securities.

Management's Discussion and Analysis *(Continued)*

Analysis of the Defined Benefit Systems



Noncontributory System

The Noncontributory System provides retirement benefits to covered State of Utah, local government, and public education employees. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits as of December 31, 2012, totaled \$17.6 billion, an increase of \$1.7 billion (10.6%) from \$15.9 billion as of December 31, 2011.

Additions to the Noncontributory System net assets held in trust for benefits include employer contributions, investment income, and transfers. For the calendar year 2012, member and employer contributions increased from \$623.1 million for calendar year 2011 to \$659.9 million, an increase of \$36.8 million (5.9%). Contributions increased because salaries and contribution rates increased. The system recognized a net investment gain of \$2.0 billion for calendar year 2012 compared with net investment gain of \$401.1 million for calendar year 2011. The increase in investment gain for 2012 compared to 2011 was due to the higher rate of return realized in 2012.

Deductions from the Noncontributory System net assets held in trust for benefits include retirement benefits, administrative expenses, and transfers. For the calendar year 2012, benefits amounted to \$903.0 million, an increase of \$56.7 million (6.7%) over calendar year 2011. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the calendar year 2012, the costs of administering the system totaled \$8.4 million, an increase of \$1.1 million (15.0%) from calendar year 2011.

An actuarial valuation of the Noncontributory System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2012, the funded status of the system decreased to 79.0% from 82.7% as of January 1, 2011. The amount by which the Noncontributory System actuarial assets were under actuarial benefit liabilities was \$4.4 billion as of January 1, 2012, compared with being underfunded by \$3.5 billion as of January 1, 2011. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment results over the previous five years.

Contributory System

The Contributory system provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits as of December 31, 2012, totaled \$1.1 billion, an increase of \$123.6 million (12.2%) from \$1.0 billion as of December 31, 2011.

Additions to the Contributory System net assets held in trust for benefits include employer and member contributions, investment income, and transfers. For calendar year 2012, member and employer contributions increased from \$18.4 million for calendar year 2011 to \$18.7 million, an increase of \$242.0 million (1.3%). Contributions increased because contribution rates increased. For the most part, the Contributory System is a closed system. For this reason both the numbers of active members and retired individuals are declining. The system recognized a net investment gain of \$131.2 million for calendar year 2012 compared with net investment gain of \$26.0 million for the calendar year 2011. The increase in investment gain for 2012 compared to 2011 was due to the higher rate of return realized in 2012.

Deductions from the Contributory System net assets held in trust for benefits include retirement benefits, administrative expenses, and transfers. For calendar year 2012,

Management's Discussion and Analysis *(Continued)*



benefits amounted to \$72.8 million, an increase of \$2.6 million (3.7%) from calendar year 2011. The increase in benefit payments was due to the increase in the number of retired members in the system. For calendar year 2012, the costs of administering the system totaled \$503 thousand, an increase of \$54 thousand (12.0%) from calendar year 2011.

An actuarial valuation of the Contributory System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2012, the funded status of the system decreased to 89.5% from 90.5% as of January 1, 2011. The amount by which the Contributory System actuarial assets were under actuarial benefit liabilities was \$133.8 million as of January 1, 2012, compared with \$118.6 million as of January 1, 2011.

Public Safety System

The Public Safety System provides retirement benefits to eligible public safety employees of the State of Utah, local governments, and higher education. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits as of December 31, 2012, amounted to \$2.4 billion, an increase of \$262.3 million (12.5%) from \$2.1 billion as of December 31, 2011.

Additions to the Public Safety System net assets held in trust for benefits include employer contributions, investment income, and transfers. For calendar year 2012, member and employer contributions increased from \$111.9 million for calendar year 2011 to \$119.1 million, an increase of \$7.2 million (6.5%). Contributions increased because salaries and contribution rates increased. The system recognized a net investment gain of \$266.8 million for calendar year 2012 compared with net investment gain of \$52.7 million for calendar year 2011. The increase in investment gain for 2012 compared to 2011 was due to the higher rate of return realized in 2012.

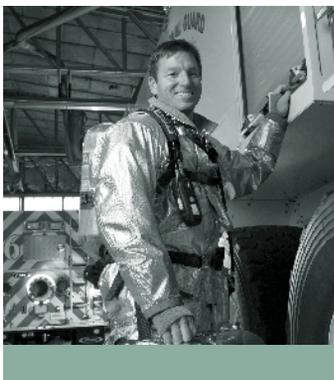
Deductions from the Public Safety System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2012, benefits amounted to \$128.8 million, an increase of \$7.7 million (6.4%) over calendar year 2011. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For calendar year 2012, the costs of administering the system totaled \$1.2 million, an increase of \$145 thousand (14.2%) from calendar year 2011.

An actuarial valuation of the Public Safety System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2012, the funded status of the system decreased to 75.4% from 77.1% as of January 1, 2011. The amount by which the Public Safety System actuarial assets were under actuarial benefit liabilities was \$726.3 million as of January 1, 2012, compared with being underfunded by \$650.1 million as of January 1, 2011. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment returns over the previous five years.

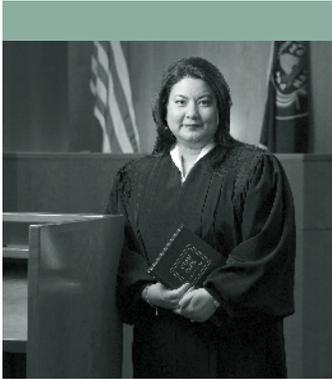
Firefighters System

The Firefighters System provides retirement benefits to covered firefighters of the State of Utah and local governments. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits as of December 31, 2012, amounted to \$853.8 million, an increase of \$88.3 million (11.5%) from \$765.5 million as of December 31, 2011.

Additions to the Firefighters System net assets held in trust for benefits consist of employer contributions, including insurance premium taxes, investment income, and transfers. For calendar year 2012, member and employer contributions increased from \$30.3 million for calendar year 2011 to \$34.8 million, an increase of \$4.5 million (14.8%). Contributions increased because salaries, contributions, and insurance premium taxes increased. The system recognized a net investment gain of \$96.3 million for calendar



Management's Discussion and Analysis *(Continued)*



year 2012 compared with net investment gain of \$19.2 million for calendar year 2011. The increase in investment gain for 2012 compared to 2011 was due to the higher rate of return realized in 2012.

Deductions from the Firefighters System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2012, benefits amounted to \$43.8 million, an increase of \$2.1 million (5.1%) over calendar year 2011. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For calendar year 2012, the costs of administering the system totaled \$357 thousand, an increase of \$45 thousand (13.6%) from calendar year 2011.

An actuarial valuation of the Firefighters System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2012, the funded status of the system decreased to 89.7% from 92.9% as of January 1, 2011. The amount by which the Firefighters System actuarial assets were under actuarial benefit liabilities was \$92.6 million as of January 1, 2012, compared to being underfunded by \$61.9 million as of January 1, 2011. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment returns over the previous five years.

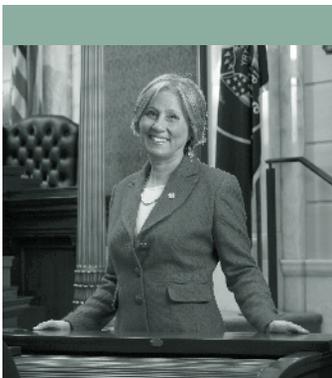
Judges System

The Judges System provides retirement benefits to judges in the State of Utah who are eligible to participate in the system. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits as of December 31, 2012, amounted to \$136.1 million, an increase of \$12.9 million (10.5%) from \$123.2 million as of December 31, 2011.

Additions to the Judges System net assets held in trust for benefits consist of employer contributions, including court fees, investment income, and transfers. For calendar year 2012, employer contributions increased from \$5.4 million for calendar year 2011 to \$5.9 million, an increase of \$495 thousand (9.2%). Contributions increased because the contribution rate and court fees increased. The system recognized a net investment gain of \$15.5 million for the calendar year 2012 compared with net investment gain of \$3.1 million for calendar year 2011. The increase in investment gain for 2012 compared to 2011 was due to the higher rate of return realized in 2012.

Deductions from the Judges System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2012, benefits amounted to \$9.1 million, an increase of \$486 thousand (5.6%) over calendar year 2011. The increase in benefit payments was due to an increase in the benefit of current year retirees. For calendar year 2012, the costs of administering the system totaled \$66 thousand, a slight increase over the preceding year.

An actuarial valuation of the Judges System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2012, the funded status of the system decreased to 77.7% from 78.7% as of January 1, 2011. The amount by which the Judges System actuarial assets were under actuarial benefit liabilities was \$37.4 million as of January 1, 2012, compared with \$35.7 million as of January 1, 2011. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment returns over the previous five years.



Utah Governors and Legislators Retirement Plan

The Governors and Legislators Retirement Plan provides retirement benefits to governors and legislators of the State of Utah. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits as of December 31, 2012, amounted to \$9.4 million, an increase of \$512 thousand (5.7%) from \$8.9 million as of December 31, 2011.

Management's Discussion and Analysis *(Continued)*

Fiduciary Net Assets Pension Trust Funds — Defined Benefit Plans

December 31

(dollars in thousands)

| | Noncontributory System | | | Contributory System | | | Public Safety System | | |
|--|------------------------|------------|------------|---------------------|-----------|-----------|----------------------|-----------|-----------|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Assets: | | | | | | | | | |
| Cash and receivables | \$ 315,579 | 384,442 | 559,028 | 18,569 | 23,106 | 34,325 | 41,038 | 50,221 | 71,716 |
| Investments at fair value | 18,201,227 | 16,609,788 | 16,787,457 | 1,175,190 | 1,057,334 | 1,071,466 | 2,443,770 | 2,193,327 | 2,187,483 |
| Invested securities | | | | | | | | | |
| lending collateral | 1,265,465 | 1,383,847 | 1,005,149 | 81,706 | 88,092 | 64,154 | 169,906 | 182,738 | 130,975 |
| Property and equipment | 5,072 | 908 | 688 | 327 | 58 | 44 | 680 | 119 | 90 |
| Total assets | 19,787,343 | 18,378,985 | 18,352,322 | 1,275,792 | 1,168,590 | 1,169,989 | 2,655,394 | 2,426,405 | 2,390,264 |
| Liabilities: | | | | | | | | | |
| Securities lending liability | 1,265,465 | 1,383,847 | 1,005,149 | 81,706 | 88,092 | 64,154 | 169,906 | 182,738 | 130,975 |
| Investment accounts and other payables | 892,441 | 1,059,666 | 1,544,968 | 57,435 | 67,448 | 98,587 | 119,431 | 139,916 | 201,270 |
| Total liabilities | 2,157,906 | 2,443,513 | 2,550,117 | 139,141 | 155,540 | 162,741 | 289,337 | 322,654 | 332,245 |
| Total net assets | \$17,629,437 | 15,935,472 | 15,802,205 | 1,136,651 | 1,013,050 | 1,007,248 | 2,366,057 | 2,103,751 | 2,058,019 |

(dollars in thousands)

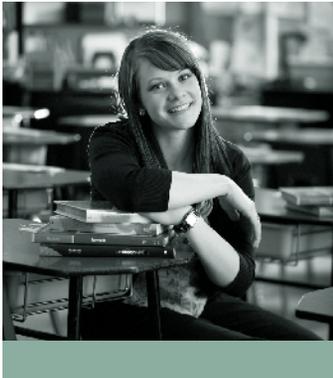
| | Tier 2 Public Employees System | | | Tier 2 Public Safety and Firefighters System | | | Total Defined Benefit Pension Plans | | | 2012 Percent Change | 2011 Percent Change |
|--|--------------------------------|-------|------|--|------|------|-------------------------------------|------------|------------|---------------------|---------------------|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | | |
| Assets: | | | | | | | | | | | |
| Cash and receivables | \$ 1,704 | 594 | — | 81 | 16 | — | 393,948 | 482,108 | 695,469 | (18.3)% | (30.7)% |
| Investments at fair value | 17,058 | 2,355 | — | 1,145 | 78 | — | 22,870,937 | 20,796,342 | 20,991,565 | 10.0 | (0.9) |
| Invested securities | | | | | | | | | | | |
| lending collateral | 1,186 | 196 | — | 79 | 7 | — | 1,590,130 | 1,732,651 | 1,256,870 | (8.2) | 37.9 |
| Property and equipment | 5 | — | — | — | — | — | 6,372 | 1,136 | 860 | 460.9 | 32.1 |
| Total assets | 19,953 | 3,147 | — | 1,305 | 101 | — | 24,861,387 | 23,012,237 | 22,944,764 | 8.0 | 0.3 |
| Liabilities: | | | | | | | | | | | |
| Securities lending liability | 1,186 | 196 | — | 79 | 7 | — | 1,590,130 | 1,732,651 | 1,256,870 | (8.2) | (37.9) |
| Investment accounts and other payables | 834 | 150 | — | 55 | 5 | — | 1,120,658 | 1,326,733 | 1,931,788 | (15.5) | (31.3) |
| Total liabilities | 2,020 | 346 | — | 134 | 12 | — | 2,710,788 | 3,059,384 | 3,188,658 | (11.4) | (4.1) |
| Total net assets | \$17,933 | 2,799 | — | 1,171 | 89 | — | 22,150,599 | 19,952,853 | 19,756,106 | 11.0% | 1.0% |

Additions to the Governors and Legislators Retirement Plan net assets held in trust for benefits include investment income and transfers. For calendar year 2012 employer contributions amounted to \$214 thousand. The system recognized a net investment gain of \$1.1 million for calendar year 2012 compared with net investment gain of \$231 thousand for calendar year 2011. The increase in investment gain for 2012 compared to 2011 was due to the higher rate of return realized in 2012.

Deductions from the Governors and Legislators Retirement Plan net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year

Management's Discussion and Analysis *(Continued)*

| Firefighters System | | | Judges System | | | Utah Governors and Legislators Retirement Plan | | |
|---------------------|---------|---------|---------------|---------|---------|--|--------|--------|
| 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| 14,400 | 20,461 | 25,744 | 2,429 | 3,071 | 4,345 | 148 | 197 | 311 |
| 882,249 | 795,785 | 804,505 | 140,528 | 128,346 | 130,714 | 9,770 | 9,329 | 9,940 |
| 61,339 | 66,301 | 48,170 | 9,770 | 10,693 | 7,827 | 679 | 777 | 595 |
| 246 | 43 | 33 | 39 | 7 | 5 | 3 | 1 | — |
| 958,234 | 882,590 | 878,452 | 152,766 | 142,117 | 142,891 | 10,600 | 10,304 | 10,846 |
| 61,339 | 66,301 | 48,170 | 9,770 | 10,693 | 7,827 | 679 | 777 | 595 |
| 43,117 | 50,765 | 74,022 | 6,869 | 8,189 | 12,027 | 476 | 594 | 914 |
| 104,456 | 117,066 | 122,192 | 16,639 | 18,882 | 19,854 | 1,155 | 1,371 | 1,509 |
| 853,778 | 765,524 | 756,260 | 136,127 | 123,235 | 123,037 | 9,445 | 8,933 | 9,337 |



2012, retirement benefits amounted to \$816 thousand, an increase of \$15 thousand (1.9%) from calendar year 2011. The increase in benefit payments was due to an increase in the number of benefit recipients. For calendar year 2012, the costs of administering the system totaled \$5 thousand, a slight increase over the preceding year.

An actuarial valuation of the Governors and Legislators Retirement Plan assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2012, the funded status of the system decreased to 79.5% from 88.6% as of January 1, 2011. The amount by which the Governors and Legislators Retirement Plan actuarial assets were under actuarial benefit liabilities was \$2.5 million as of January 1, 2012, compared with being underfunded by \$1.3 million as of January 1, 2011. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment returns over the previous five years.

Tier 2 Public Employees System

The Tier 2 Public Employees System provides retirement benefits to eligible State of Utah and local governments and public education employees who started employment July 1, 2011, or after. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits as of December 31, 2012, amounted to \$17.9 million, an increase of \$15.1 million (540.7%) from \$2.8 million as of December 31, 2011.

Additions to the Tier 2 Public Employees System net assets held in trust consist of employer contributions, investment income, and transfers. For calendar year 2012, member and employer contributions increased from \$2.8 million for calendar year 2011, to \$14.2 million, an increase of \$11.4 million (407.1%). Contributions increased because membership increased. The system recognized a net investment gain of \$922 thousand for calendar year 2012 compared with an investment gain of \$9 thousand for calendar year 2011. The increase in investment gain for 2012 compared to 2011 was due to the higher rate of return realized in 2012 and increased membership.

Management's Discussion and Analysis (Continued)

Changes in Fiduciary Net Assets Pension Trust Funds — Defined Benefit Plans

Year Ended December 31

(dollars in thousands)

| | Noncontributory System | | | Contributory System | | | Public Safety System | | |
|-----------------------------------|------------------------|-----------|-----------|---------------------|--------|---------|----------------------|---------|---------|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Additions: | | | | | | | | | |
| Contributions | \$ 659,921 | 623,149 | 597,682 | 18,667 | 18,425 | 22,150 | 119,130 | 111,899 | 105,299 |
| Investment income | 2,000,995 | 401,105 | 1,860,976 | 131,169 | 26,009 | 121,153 | 266,753 | 52,655 | 241,203 |
| Transfers from affiliated systems | — | — | — | 47,098 | 32,064 | — | 6,411 | 3,303 | 4,248 |
| Total additions | 2,660,916 | 1,024,254 | 2,458,658 | 196,934 | 76,498 | 143,303 | 392,294 | 167,857 | 350,750 |
| Deductions: | | | | | | | | | |
| Pension benefits | 900,133 | 843,696 | 793,804 | 70,855 | 68,375 | 67,565 | 128,532 | 120,570 | 115,831 |
| Refunds | 2,858 | 2,514 | 3,620 | 1,975 | 1,872 | 1,632 | 292 | 536 | 512 |
| Administrative expenses | 8,397 | 7,304 | 8,389 | 503 | 449 | 535 | 1,164 | 1,019 | 1,146 |
| Transfers to affiliated systems | 55,563 | 37,473 | 3,202 | — | — | 3,910 | — | — | — |
| Total deductions | 966,951 | 890,987 | 809,015 | 73,333 | 70,696 | 73,642 | 129,988 | 122,125 | 117,489 |
| Increase in net assets | \$1,693,965 | 133,267 | 1,649,643 | 123,601 | 5,802 | 69,661 | 262,306 | 45,732 | 233,261 |

(dollars in thousands)

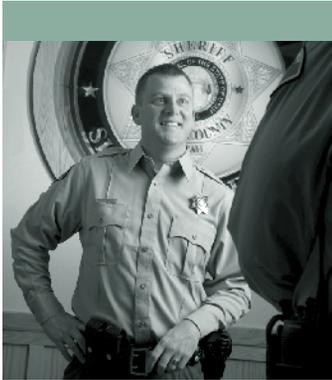
| | Tier 2 Public Employees System | | | Tier 2 Public Safety and Firefighters System | | | Total Defined Benefit Pension Plans | | | 2012 Percent Change | 2011 Percent Change |
|-----------------------------------|--------------------------------|-------|------|--|------|------|-------------------------------------|-----------|-----------|---------------------|---------------------|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | | |
| Additions: | | | | | | | | | | | |
| Contributions | \$14,208 | 2,790 | — | 1,031 | 89 | — | 853,893 | 792,241 | 754,873 | 7.8% | 5.0% |
| Investment income | 922 | 9 | — | 56 | — | — | 2,512,735 | 502,341 | 2,328,193 | 400.2 | (78.4) |
| Transfers from affiliated systems | 5 | — | — | — | — | — | 55,568 | 37,473 | 7,112 | 48.3 | 426.9 |
| Total additions | 15,135 | 2,799 | — | 1,087 | 89 | — | 3,422,196 | 1,332,055 | 3,090,178 | 156.9 | (56.9) |
| Deductions: | | | | | | | | | | | |
| Pension benefits | — | — | — | — | — | — | 1,153,130 | 1,083,497 | 1,028,130 | 6.4 | 5.4 |
| Refunds | — | — | — | — | — | — | 5,259 | 5,190 | 6,170 | 1.3 | (15.9) |
| Administrative expenses | 1 | — | — | — | — | — | 10,493 | 9,148 | 10,505 | 14.7 | (12.9) |
| Transfers to affiliated systems | — | — | — | 5 | — | — | 55,568 | 37,473 | 7,112 | 48.3 | 426.9 |
| Total deductions | 1 | — | — | 5 | — | — | 1,224,450 | 1,135,308 | 1,051,917 | 7.9 | 7.9 |
| Increase (decrease) in net assets | \$15,134 | 2,799 | — | 1,082 | 89 | — | 2,197,746 | 196,747 | 2,038,261 | 1,017% | (90.3)% |

Deductions from the Tier 2 Public Employees System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2012 and 2011, there were no benefits paid from the system. The costs of administering the system totaled \$1 thousand, an increase of \$1 thousand (100.0%) from calendar year 2011.

An actuarial valuation of the Tier 2 Public Employees System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1 2012, the funded status of the system was 92.7%. The amount by which the Tier 2 Public Employees System actuarial assets were under actuarial benefit liabilities was \$222 thousand as of January 1, 2012.

Management's Discussion and Analysis *(Continued)*

| Firefighters System | | | Judges System | | | Utah Governors and Legislators Retirement Plan | | |
|---------------------|--------|---------|---------------|-------|--------|--|-------|-------|
| 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| 34,824 | 30,333 | 25,027 | 5,898 | 5,403 | 4,715 | 214 | 153 | — |
| 96,255 | 19,218 | 89,122 | 15,485 | 3,114 | 14,597 | 1,100 | 231 | 1,142 |
| 1,325 | 1,699 | 1,784 | 710 | 390 | 1,078 | 19 | 17 | 2 |
| 132,404 | 51,250 | 115,933 | 22,093 | 8,907 | 20,390 | 1,333 | 401 | 1,144 |
| 43,660 | 41,406 | 41,130 | 9,135 | 8,649 | 9,010 | 815 | 801 | 790 |
| 133 | 268 | 401 | — | — | — | 1 | — | 5 |
| 357 | 312 | 361 | 66 | 60 | 69 | 5 | 4 | 5 |
| — | — | — | — | — | — | — | — | — |
| 44,150 | 41,986 | 41,892 | 9,201 | 8,709 | 9,079 | 821 | 805 | 800 |
| 88,254 | 9,264 | 74,041 | 12,892 | 198 | 11,311 | 512 | (404) | 344 |



Tier 2 Public Safety and Firefighters System

The Tier 2 Public Safety and Firefighters System provides retirement benefits to eligible state and local governmental employees directly involved in law enforcement or fire fighting and are in a position of hazardous duty who started employment July 1, 2011, or after. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits as of December 31, 2012, amounted to \$1.2 million, an increase of \$1.1 million (1,215.7%) from \$89 thousand as of December 31, 2011.

Additions to the Tier 2 Public Safety and Firefighters System net assets held in trust for benefits consist of employer contributions, investment income, and transfers. For calendar year 2012, member and employer contributions increased from \$89 thousand for calendar year 2011, to \$1.0 million in 2012, an increase of \$942 thousand (1,058.4%). Contributions increased because membership increased. The system recognized a net investment gain of \$56 thousand for calendar year 2012 compared with net investment gain of \$0.0 for calendar year 2011. The increase in investment gain for 2012 compared to 2011 was due to the higher rate of return realized in 2012 and increased membership.

Deductions from the Tier 2 Public Employees System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar years 2012, and 2011, there were no benefits or expenses paid from the system.

An actuarial valuation of the Tier 2 Public Safety and Firefighters System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2012, the funded status of the system was 89.1%. The amount by which the Tier 2 Public Safety and Firefighters System actuarial assets were under actuarial benefit liabilities was \$11 thousand as of January 1, 2012.

Management's Discussion and Analysis *(Continued)*

Actuarial Valuations and Funding Progress

Actuarial valuation of each defined benefit system is performed annually. As of January 1, 2012, the date of the most recent actuarial valuation, the average funded ratio of the Systems was 79.5%. This was a decrease from the Systems' January 1, 2011, valuation average funded ratio of 82.8%, a decrease in funded status of 3.3%. As of December 31, 2012, the Systems' average funded ratio had decreased to 76.5%. This was a decrease in the Systems' funded ratio of 3.0% for calendar year 2012. The funded ratio decrease for all systems was the result of lower than expected

investment returns over the previous five years.

As of December 31, 2012, the Systems' underfunded actuarial accrued liability was \$6.6 billion. This was a net increase in the unfunded position of \$1.1 billion for the year. As of December 31, 2012, the difference between the actuarial value of assets and market value of assets was \$780.7 million in actuarially deferred gains. This was an increase of \$1.9 billion in actuarially deferred gains from the \$1.2 billion in actuarially deferred losses as of January 1, 2012. These actuarially deferred gains will be recognized by the actuary over the next four years.

Every three years in conjunction with the actuarial valuation the actuary performs an experience study. Based upon the 2011 experience study, the actuary recommended a number of changes in the actuarial assumptions that were adopted by the Board. Some of the changes were to decrease the investment return assumption from 7.75% to 7.50%, decrease the inflation assumption from 3.0% to 2.5%, decrease the COLA assumption from 3.0% to 2.0% for the 4.0 maximum funds, decrease the payroll growth assumption from 4.0% to 3.5% and new mortality assumptions.



Analysis of the Defined Contribution Savings Plans

401(k) Defined Contribution Plan

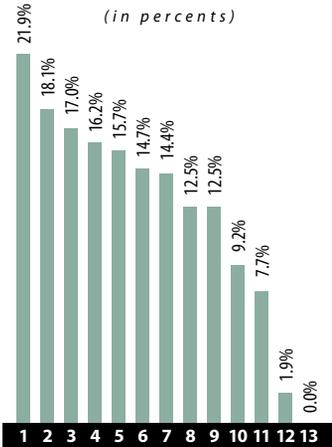
The 401(k) Plan is established under section 401(k) of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits as of December 31, 2012, amounted to \$3.2 billion, an increase of \$331.9 million (12.0%) over net assets as of December 31, 2011.

Additions to the 401(k) Plan net assets held in trust for benefits include contributions, rollovers, and investment income. For calendar year 2012, contributions increased from those of calendar year 2011 from \$210.6 million to \$218.9 million, an increase of \$8.3 million (3.9%). Contributions increased because of increased participation. The plan recognized a net investment gain of \$313.4 million for calendar year 2012 compared with a net investment loss of \$14.9 million for calendar year 2011.

Deductions from the 401(k) Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2012, refunds amounted to \$194.5 million, a decrease of \$395 thousand (0.2%) over calendar year 2011. The decrease in refunds was due to a decrease in withdrawals for calendar year 2012. For calendar year 2012, the costs of administering the plan amounted to \$5.9 million, a decrease of \$608 thousand over calendar year 2011.

Management’s Discussion and Analysis (Continued)

Defined Contribution Savings Plans Investment Option Rates of Return for 2012



- 1 Large Cap Stock Value Fund
- 2 Small Cap Stock Fund
- 3 International Fund
- 4 Large Cap Stock Index Fund
- 5 Large Cap Stock Growth Fund
- 6 Balanced Fund
- 7 Long Horizon Fund
- 8 Medium Horizon Fund
- 9 Tier 2 DC Nonvested
- 10 Short Horizon Fund
- 11 Bond Fund
- 12 Income Fund
- 13 HRA Fund

Defined Contribution Comparative Annualized Rates of Return

December 31, 2012

| Investment Option | 2012 | 2011 |
|-----------------------------|------|-------|
| Income Fund | 1.9 | 1.9% |
| Bond Fund | 7.7 | 5.1 |
| Balanced Fund | 14.7 | 1.1 |
| Large Cap Stock Value Fund | 21.9 | -4.2 |
| Large Cap Stock Index Fund | 16.2 | 1.0 |
| Large Cap Stock Growth Fund | 15.7 | 1.7 |
| International Fund | 17.0 | -14.1 |
| Small Cap Stock Fund | 18.1 | -3.4 |
| Short Horizon Fund | 9.2 | 1.4 |
| Medium Horizon Fund | 12.5 | -1.2 |
| Long Horizon Fund | 14.4 | -4.3 |
| Tier 2 DC Nonvested | 12.5 | — |
| HRA Fund | 0.0 | 0.0 |

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

457 Defined Contribution Plan

The 457 Plan is established under Section 457(b) of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits as of December 31, 2012, amounted to \$360.4 million, an increase of \$39.0 million (12.1%) over net assets as of December 31, 2011.

Additions to the 457 Plan net assets held in trust for benefits include contributions and investment income. For calendar year 2012, contributions decreased from those of calendar year 2011 from \$26.4 million to \$24.5 million or a decrease of \$1.9 million (7.3%). Contributions decreased because of decreased participation. The plan recognized a net investment gain of \$35.1 million for calendar year 2012 compared with a net investment loss of \$2.4 million for the calendar year 2011.

Deductions from the 457 Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2012, refunds amounted to \$19.9 million, an increase of \$1.1 million (5.7%) over calendar year 2011. The increase in refunds was due to an increase in withdrawals for calendar year 2012. For calendar year 2012, the costs of administering the plan amounted to \$664 thousand, a decrease of \$62 thousand over calendar year 2011.

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

Roth IRA Plan

The Roth IRA is a “deemed IRA” authorized by section 408(q) of the Internal Revenue Code, and governed by section 408A of the code. This plan allows participants to make after-tax contributions, while the earnings may be withdrawn tax free (for qualified distributions). The plan net assets held in trust for benefits as of December 31, 2012, amounted to \$33.8 million, an increase of \$9.4 million (38.3%) over net assets as of December 31, 2011.

Additions to the Roth IRA Plan include contributions, transfers from other Roth IRAs, conversions from traditional IRAs, and investment earnings. For calendar year 2012, contributions increased from those of calendar year 2011 from \$6.6 million to \$7.7 million (16.1%). Contributions increased because of increased participation. The plan recognized a net investment gain of \$3.3 million for calendar year 2012 compared with a net investment loss of \$508 thousand for calendar year 2011.

Deductions from the Roth IRA Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2012, refunds amounted to \$1.5 million, a decrease of \$692 thousand (31.0%) over calendar year 2011. For calendar year 2012, the costs of administering the plan amounted to \$53 thousand, an increase of \$1 thousand over calendar year 2011.

Traditional IRA Plan

The traditional IRA is a “deemed IRA” authorized by section 408(q) of the Internal Revenue Code, and governed by section 408 of the code. This plan allows participants to make after-tax contributions and possibly deduct all or a portion of the contributions from their current taxable income. This plan also allows participants to consolidate many other eligible plan assets when they become eligible for roll over (such as 401(k), 457, and other IRAs). Participants may also convert traditional IRA funds into a Roth IRA. The plan net assets held in trust for benefits as of December 31, 2012, amounted to \$38.6 million, an increase of \$8.6 million (28.6%) over net assets as of December 31, 2011.

Management's Discussion and Analysis *(Continued)*

Fiduciary Net Assets — Defined Contribution Savings Plans

Year Ended December 31

(dollars in thousands)

| | 401(k) Plan | | | 457 Plan | | | Roth IRA Plan | | |
|--|-------------|-----------|-----------|----------|---------|---------|---------------|--------|--------|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Assets: | | | | | | | | | |
| Cash and receivables | \$ 82,446 | 77,815 | 71,691 | 8,197 | 7,515 | 6,679 | 93 | 14 | 134 |
| Investments at fair value | 3,137,614 | 2,808,653 | 2,820,395 | 352,704 | 314,065 | 310,783 | 33,729 | 24,395 | 20,455 |
| Total assets | 3,220,060 | 2,886,468 | 2,892,086 | 360,901 | 321,580 | 317,462 | 33,822 | 24,409 | 20,589 |
| Liabilities: | | | | | | | | | |
| Investment accounts and other payables | 7,186 | 5,461 | 5,409 | 520 | 224 | 588 | 72 | 9 | 18 |
| Total liabilities | 7,186 | 5,461 | 5,409 | 520 | 224 | 588 | 72 | 9 | 18 |
| Total net assets | \$3,212,874 | 2,881,007 | 2,886,677 | 360,381 | 321,356 | 316,874 | 33,750 | 24,400 | 20,571 |

Changes in Fiduciary Net Assets — Defined Contribution Savings Plans

Year Ended December 31

(dollars in thousands)

| | 401(k) Plan | | | 457 Plan | | | Roth IRA Plan | | |
|-----------------------------------|-------------|----------|---------|----------|---------|--------|---------------|-------|-------|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Additions: | | | | | | | | | |
| Contributions | \$ 218,888 | 210,592 | 222,474 | 24,501 | 26,441 | 26,522 | 7,685 | 6,619 | 8,116 |
| Investment income (loss) | 313,374 | (14,864) | 254,289 | 35,065 | (2,422) | 27,628 | 3,256 | (508) | 1,827 |
| Total additions | 532,262 | 195,728 | 476,763 | 59,566 | 24,019 | 54,150 | 10,941 | 6,111 | 9,943 |
| Deductions: | | | | | | | | | |
| Refunds | 194,538 | 194,933 | 190,963 | 19,877 | 18,811 | 20,184 | 1,538 | 2,230 | 1,582 |
| Administrative expenses | 5,857 | 6,465 | 6,410 | 664 | 726 | 711 | 53 | 52 | 38 |
| Total deductions | 200,395 | 201,398 | 197,373 | 20,541 | 19,537 | 20,895 | 1,591 | 2,282 | 1,620 |
| Increase (decrease) in net assets | \$ 331,867 | (5,670) | 279,390 | 39,025 | 4,482 | 33,255 | 9,350 | 3,829 | 8,323 |



Additions to the traditional IRA Plan include contributions, rollovers, and investment earnings. For calendar year 2012, contributions increased from those of calendar year 2011 from \$7.3 million to \$9.8 million (33.4%). Contributions increased because of increased rollovers. The plan recognized a net investment gain of \$2.8 million for calendar year 2012 compared with a net investment loss of \$55 thousand for calendar year 2011.

Deductions from the traditional IRA Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2012, refunds amounted to \$4.0 million, an increase of \$495 thousand (14.4%) over calendar year 2011. For calendar year 2012, the costs of administering the plan amounted to \$61 thousand, an increase of \$1 thousand over calendar year 2011.

Health Reimbursement Arrangement

The Health Reimbursement Arrangement (HRA) is a tax-advantaged health savings plan for state employees funded by employer contributions to pay for qualified healthcare expenses incurred after retirement. No employee contributions are permitted. The plan

Management's Discussion and Analysis *(Concluded)*

| Traditional IRA Plan | | | Health Reimbursement Arrangement (HRA) | | | Total Defined Contribution Plans | | | 2012 Percent Change | 2011 Percent Change |
|----------------------|--------|--------|--|-------|-------|----------------------------------|-----------|-----------|---------------------------|---------------------------|
| 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | | |
| 250 | 201 | 9 | 1,320 | 817 | 903 | 92,306 | 86,362 | 79,416 | 6.9% | 8.7% |
| 38,421 | 30,030 | 26,312 | 10,212 | 8,329 | 5,389 | 3,572,680 | 3,185,472 | 3,183,334 | 12.2 | 0.1 |
| 38,671 | 30,231 | 26,321 | 11,532 | 9,146 | 6,292 | 3,664,986 | 3,271,834 | 3,262,750 | 12.0 | 0.3 |
| 76 | 218 | 70 | 63 | 33 | 17 | 7,917 | 5,945 | 6,102 | 33.2 | (2.6) |
| 76 | 218 | 70 | 63 | 33 | 17 | 7,917 | 5,945 | 6,102 | 33.2 | (2.6) |
| 38,595 | 30,013 | 26,251 | 11,469 | 9,113 | 6,275 | 3,657,069 | 3,265,889 | 3,256,648 | 12.0% | 0.3% |

| Traditional IRA Plan | | | Health Reimbursement Arrangement (HRA) | | | Total Defined Contribution Plans | | | 2012 Percent Change | 2011 Percent Change |
|----------------------|-------|-------|--|-------|-------|----------------------------------|----------|---------|---------------------------|---------------------------|
| 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | | |
| 9,799 | 7,346 | 6,097 | 4,092 | 4,264 | 4,274 | 264,965 | 255,262 | 267,483 | 3.8% | (4.6)% |
| 2,811 | (55) | 1,692 | 22 | 17 | 11 | 354,528 | (17,832) | 285,447 | (2,088.2) | (106.2) |
| 12,610 | 7,291 | 7,789 | 4,114 | 4,281 | 4,285 | 619,493 | 237,430 | 552,930 | 160.9 | (57.1) |
| 3,967 | 3,469 | 3,954 | 1,736 | 1,426 | 987 | 221,656 | 220,869 | 217,670 | 0.4 | 1.5 |
| 61 | 60 | 55 | 22 | 17 | 11 | 6,657 | 7,320 | 7,225 | (9.1) | 1.3 |
| 4,028 | 3,529 | 4,009 | 1,758 | 1,443 | 998 | 228,313 | 228,189 | 224,895 | 0.1 | 1.5 |
| 8,582 | 3,762 | 3,780 | 2,356 | 2,838 | 3,287 | 391,180 | 9,241 | 328,035 | 4,133.1% | (97.2)% |

net assets held in trust for benefits as of December 31, 2012, amounted to \$11.5 million, an increase of \$2.4 million (25.9%) over the net assets as of December 31, 2011.

Additions to the HRA include contributions and investment earnings. For calendar year 2012, contributions slightly decreased from those of calendar year 2011 from \$4.26 million to \$4.09 million (4.0%).

Deductions from the HRA Plan net assets include participant and beneficiary refunds and administrative expense. For calendar year 2012 refunds amounted to \$1.7 million, an increase of \$310 thousand (21.7%) over calendar year 2011. The increase in refunds was due to an increase in withdrawals for calendar year 2012.

The cost of administering the plan was \$22 thousand for calendar year 2012 compared to \$17 thousand for year 2011.

Benefit obligations of the HRA Plan are equal to the member account balance, which are equal to net assets of the plan.

Utah Retirement Systems

Basic Financial Statements

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

December 31, 2012
With Comparative Totals
for December 31, 2011

(in thousands)

| | Noncontributory System | Contributory System | Public Safety System | Firefighters System | Judges System | Utah Governors and Legislators Retirement Plan | Tier 2 Public Employees System |
|--|------------------------|---------------------|----------------------|---------------------|---------------|--|--------------------------------|
| Assets: | | | | | | | |
| Cash | \$ 2,867 | 2 | 20 | 2 | 1 | 1 | 2 |
| Receivables: | | | | | | | |
| Member contributions | — | 281 | 34 | 594 | — | — | — |
| Employer contributions | 39,123 | 621 | 4,250 | — | 187 | — | 1,446 |
| Court fees and fire insurance tax | — | — | — | 543 | 129 | — | — |
| Investments | 273,589 | 17,665 | 36,734 | 13,261 | 2,112 | 147 | 256 |
| Total receivables | 312,712 | 18,567 | 41,018 | 14,398 | 2,428 | 147 | 1,702 |
| Investments at fair value: | | | | | | | |
| Short-term securities, domestic | 1,031,224 | 66,583 | 138,456 | 49,986 | 7,962 | 554 | 967 |
| Short-term securities, international | 32,478 | 2,097 | 4,362 | 1,574 | 251 | 17 | 30 |
| Debt securities, domestic | 2,420,123 | 156,259 | 324,935 | 117,308 | 18,685 | 1,299 | 2,268 |
| Debt securities, international | 836,785 | 54,028 | 112,352 | 40,560 | 6,461 | 449 | 784 |
| Equity investments, domestic | 2,862,657 | 184,832 | 384,350 | 138,759 | 22,102 | 1,537 | 2,683 |
| Equity investments, international | 3,720,700 | 240,233 | 499,556 | 180,350 | 28,727 | 1,997 | 3,487 |
| Absolute return | 2,764,938 | 178,522 | 371,230 | 134,022 | 21,347 | 1,484 | 2,591 |
| Private equity | 2,064,243 | 133,281 | 277,154 | 100,058 | 15,938 | 1,108 | 1,935 |
| Real assets | 2,462,630 | 159,003 | 330,643 | 119,368 | 19,013 | 1,322 | 2,308 |
| Mortgage loans | 5,449 | 352 | 732 | 264 | 42 | 3 | 5 |
| Total investments | 18,201,227 | 1,175,190 | 2,443,770 | 882,249 | 140,528 | 9,770 | 17,058 |
| Invested securities lending collateral | 1,265,465 | 81,706 | 169,906 | 61,339 | 9,770 | 679 | 1,186 |
| Property and equipment at cost, net of accumulated depreciation | 5,072 | 327 | 680 | 246 | 39 | 3 | 5 |
| Total assets | 19,787,343 | 1,275,792 | 2,655,394 | 958,234 | 152,766 | 10,600 | 19,953 |
| Liabilities: | | | | | | | |
| Securities lending liability | 1,265,465 | 81,706 | 169,906 | 61,339 | 9,770 | 679 | 1,186 |
| Disbursements in excess of cash balance | 23,114 | 1,492 | 3,103 | 1,120 | 178 | 12 | 22 |
| Compensated absences, post-employment benefits and insurance reserve | 14,523 | 938 | 1,949 | 704 | 112 | 8 | 14 |
| Investment accounts payable | 388,328 | 24,886 | 51,749 | 18,682 | 2,976 | 207 | 361 |
| Real estate liabilities | 466,476 | 30,119 | 62,630 | 22,611 | 3,603 | 249 | 437 |
| Total liabilities | 2,157,906 | 139,141 | 289,337 | 104,456 | 16,639 | 1,155 | 2,020 |
| Net assets held in trust for pension benefits | \$17,629,437 | 1,136,651 | 2,366,057 | 853,778 | 136,127 | 9,445 | 17,933 |

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

Utah Retirement Systems

| Defined Benefit Pension Plans | | Defined Contribution Plans | | | | | | | Total Pension Trust Funds | |
|--|-------------------------------------|----------------------------|----------|---------------|----------------------|----------------------------------|----------------------------------|------------|---------------------------|--|
| Tier 2 Public Safety and Firefighters System | Total Defined Benefit Pension Plans | 401(k) Plan | 457 Plan | Roth IRA Plan | Traditional IRA Plan | Health Reimbursement Arrangement | Total Defined Contribution Plans | 2012 | 2011 | |
| 2 | 2,897 | 6,127 | 326 | 93 | 250 | 7 | 6,803 | 9,700 | 4,770 | |
| — | 909 | — | — | — | — | — | — | 909 | 974 | |
| 62 | 45,689 | — | — | — | — | 1,313 | 1,313 | 47,002 | 40,288 | |
| — | 672 | — | — | — | — | — | — | 672 | 3,307 | |
| 17 | 343,781 | 76,319 | 7,871 | — | — | — | 84,190 | 427,971 | 519,131 | |
| 79 | 391,051 | 76,319 | 7,871 | — | — | 1,313 | 85,503 | 476,554 | 563,700 | |
| 65 | 1,295,797 | — | — | — | — | 10,212 | 10,212 | 1,306,009 | 1,003,354 | |
| 2 | 40,811 | — | — | — | — | — | — | 40,811 | 22,380 | |
| 152 | 3,041,029 | 1,341,643 | 150,583 | 11,936 | 21,828 | — | 1,525,990 | 4,567,019 | 4,563,648 | |
| 53 | 1,051,472 | 90,715 | 10,634 | 1,294 | 1,826 | — | 104,469 | 1,155,941 | 972,863 | |
| 180 | 3,597,100 | 1,343,912 | 150,238 | 15,480 | 11,162 | — | 1,520,792 | 5,117,892 | 5,901,538 | |
| 234 | 4,675,284 | 321,785 | 36,628 | 4,361 | 3,033 | — | 365,807 | 5,041,091 | 3,044,195 | |
| 174 | 3,474,308 | — | — | — | — | — | — | 3,474,308 | 3,286,714 | |
| 130 | 2,593,847 | — | — | — | — | — | — | 2,593,847 | 2,254,396 | |
| 155 | 3,094,442 | 39,559 | 4,621 | 658 | 572 | — | 45,410 | 3,139,852 | 2,925,881 | |
| — | 6,847 | — | — | — | — | — | — | 6,847 | 6,845 | |
| 1,145 | 22,870,937 | 3,137,614 | 352,704 | 33,729 | 38,421 | 10,212 | 3,572,680 | 26,443,617 | 23,981,814 | |
| 79 | 1,590,130 | — | — | — | — | — | — | 1,590,130 | 1,732,651 | |
| — | 6,372 | — | — | — | — | — | — | 6,372 | 1,136 | |
| 1,305 | 24,861,387 | 3,220,060 | 360,901 | 33,822 | 38,671 | 11,532 | 3,664,986 | 28,526,373 | 26,284,071 | |
| 79 | 1,590,130 | — | — | — | — | — | — | 1,590,130 | 1,732,651 | |
| 1 | 29,042 | 800 | 283 | 52 | 54 | — | 1,189 | 30,231 | 24,502 | |
| 1 | 18,249 | — | — | — | — | — | — | 18,249 | 17,107 | |
| 24 | 487,213 | 6,386 | 237 | 20 | 22 | 63 | 6,728 | 493,941 | 529,727 | |
| 29 | 586,154 | — | — | — | — | — | — | 586,154 | 761,342 | |
| 134 | 2,710,788 | 7,186 | 520 | 72 | 76 | 63 | 7,917 | 2,718,705 | 3,065,329 | |
| 1,171 | 22,150,599 | 3,212,874 | 360,381 | 33,750 | 38,595 | 11,469 | 3,657,069 | 25,807,668 | 23,218,742 | |

Utah Retirement Systems**Basic Financial Statements** *(Continued)***Statements of Changes in Fiduciary Net Assets —
Pension (and Other Employee Benefit) Trust Funds**

Year Ended December 31, 2012

With Comparative Totals for

Year Ended December 31, 2011

(in thousands)

| | Noncontributory System | Contributory System | Public Safety System | Firefighters System | Judges System | Utah Governors and Legislators Retirement Plan | Tier 2 Public Employees System |
|---|------------------------|---------------------|----------------------|---------------------|---------------|--|--------------------------------|
| Additions: | | | | | | | |
| Contributions: | | | | | | | |
| Member | \$ 15,014 | 6,962 | 1,155 | 17,503 | — | — | — |
| Employer | 644,907 | 11,705 | 117,975 | 1,264 | 4,232 | 214 | 14,208 |
| Court fees and fire insurance tax | — | — | — | 16,057 | 1,666 | — | — |
| Total contributions | 659,921 | 18,667 | 119,130 | 34,824 | 5,898 | 214 | 14,208 |
| Investment income: | | | | | | | |
| Net appreciation (depreciation) in fair value of investments | 1,648,678 | 108,074 | 219,784 | 79,308 | 12,758 | 906 | 742 |
| Interest, dividends and other investment income | 379,483 | 24,876 | 50,590 | 18,255 | 2,937 | 209 | 194 |
| Total income from investment activity | 2,028,161 | 132,950 | 270,374 | 97,563 | 15,695 | 1,115 | 936 |
| Less investment expenses | 32,725 | 2,145 | 4,362 | 1,575 | 253 | 18 | 17 |
| Net income from investment activity | 1,995,436 | 130,805 | 266,012 | 95,988 | 15,442 | 1,097 | 919 |
| Income from securities lending activity | 5,559 | 364 | 741 | 267 | 43 | 3 | 3 |
| Net investment income | 2,000,995 | 131,169 | 266,753 | 96,255 | 15,485 | 1,100 | 922 |
| Transfers from affiliated systems | — | 47,098 | 6,411 | 1,325 | 710 | 19 | 5 |
| Total additions | 2,660,916 | 196,934 | 392,294 | 132,404 | 22,093 | 1,333 | 15,135 |
| Deductions: | | | | | | | |
| Retirement benefits | 753,155 | 55,884 | 105,780 | 34,445 | 7,364 | 647 | — |
| Cost-of-living benefits | 146,978 | 14,746 | 22,372 | 8,871 | 1,771 | 168 | — |
| Supplemental retirement benefits | — | 225 | 380 | 344 | — | — | — |
| Refunds | 2,858 | 1,975 | 292 | 133 | — | 1 | — |
| Administrative expenses | 8,397 | 503 | 1,164 | 357 | 66 | 5 | 1 |
| Transfers to affiliated systems | 55,563 | — | — | — | — | — | — |
| Total deductions | 966,951 | 73,333 | 129,988 | 44,150 | 9,201 | 821 | 1 |
| Increase (decrease) from operations | 1,693,965 | 123,601 | 262,306 | 88,254 | 12,892 | 512 | 15,134 |
| Net assets held in trust for pension benefits beginning of year | 15,935,472 | 1,013,050 | 2,103,751 | 765,524 | 123,235 | 8,933 | 2,799 |
| Net assets held in trust for pension benefits end of year | \$17,629,437 | 1,136,651 | 2,366,057 | 853,778 | 136,127 | 9,445 | 17,933 |

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

Utah Retirement Systems

| Defined Benefit Pension Plans | | Defined Contribution Plans | | | | | | Total Pension Trust Funds | |
|--|-------------------------------------|----------------------------|----------|---------------|----------------------|----------------------------------|----------------------------------|---------------------------|------------|
| Tier 2 Public Safety and Firefighters System | Total Defined Benefit Pension Plans | 401(k) Plan | 457 Plan | Roth IRA Plan | Traditional IRA Plan | Health Reimbursement Arrangement | Total Defined Contribution Plans | 2012 | 2011 |
| | | | | | | | | — | 40,634 |
| 1,031 | 795,536 | — | — | — | — | 4,092 | 4,092 | 799,628 | 743,424 |
| — | 17,723 | — | — | — | — | — | — | 17,723 | 14,504 |
| 1,031 | 853,893 | 218,888 | 24,501 | 7,685 | 9,799 | 4,092 | 264,965 | 1,118,858 | 1,047,503 |
| 46 | 2,070,296 | 313,157 | 35,072 | 3,287 | 2,847 | — | 354,363 | 2,424,659 | 108,326 |
| 11 | 476,555 | 3,250 | 326 | — | — | 22 | 3,598 | 480,153 | 422,752 |
| 57 | 2,546,851 | 316,407 | 35,398 | 3,287 | 2,847 | 22 | 357,961 | 2,904,812 | 531,078 |
| 1 | 41,096 | 3,033 | 333 | 31 | 36 | — | 3,433 | 44,529 | 50,105 |
| 56 | 2,505,755 | 313,374 | 35,065 | 3,256 | 2,811 | 22 | 354,528 | 2,860,283 | 480,973 |
| — | 6,980 | — | — | — | — | — | — | 6,980 | 3,536 |
| 56 | 2,512,735 | 313,374 | 35,065 | 3,256 | 2,811 | 22 | 354,528 | 2,867,263 | 484,509 |
| — | 55,568 | — | — | — | — | — | — | 55,568 | 37,473 |
| 1,087 | 3,422,196 | 532,262 | 59,566 | 10,941 | 12,610 | 4,114 | 619,493 | 4,041,689 | 1,569,485 |
| — | 957,275 | — | — | — | — | — | — | 957,275 | 902,306 |
| — | 194,906 | — | — | — | — | — | — | 194,906 | 180,129 |
| — | 949 | — | — | — | — | — | — | 949 | 1,062 |
| — | 5,259 | 194,538 | 19,877 | 1,538 | 3,967 | 1,736 | 221,656 | 226,915 | 226,059 |
| — | 10,493 | 5,857 | 664 | 53 | 61 | 22 | 6,657 | 17,150 | 16,468 |
| 5 | 55,568 | — | — | — | — | — | — | 55,568 | 37,473 |
| 5 | 1,224,450 | 200,395 | 20,541 | 1,591 | 4,028 | 1,758 | 228,313 | 1,452,763 | 1,363,497 |
| 1,082 | 2,197,746 | 331,867 | 39,025 | 9,350 | 8,582 | 2,356 | 391,180 | 2,588,926 | 205,988 |
| 89 | 19,952,853 | 2,881,007 | 321,356 | 24,400 | 30,013 | 9,113 | 3,265,889 | 23,218,742 | 23,012,754 |
| 1,171 | 22,150,599 | 3,212,874 | 360,381 | 33,750 | 38,595 | 11,469 | 3,657,069 | 25,807,668 | 23,218,742 |

Utah Retirement Systems

Notes to Basic Financial Statements

December 31, 2012



Note 1 Description of Systems and Plans

1

A brief description of the Utah Retirement Systems (Systems), 401(k), 457, Roth and traditional IRAs (Plans), and Health Reimbursement Arrangement (HRA) follows. For a more complete description of plan provisions, membership and benefit statistics, see the Systems Highlights on pages 12 through 28 and Summaries of Plan Provisions on pages 140 through 150.

A) General Information and Reporting Entity

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

- i) the **Public Employees Noncontributory Retirement System (Noncontributory System)**; the **Public Employees Contributory Retirement System (Contributory System)**; and the **Firefighters Retirement System** are multiple-employer, cost-sharing, public employee retirement systems;
- ii) the **Public Safety Retirement System** is a mixed agent and cost-sharing, multiple-employer retirement system;
- iii) the **Judges Retirement System** and the **Utah Governors and Legislators Retirement Plan** are single-employer service-employee retirement systems;
- iv) the **Tier 2 Public Employees Contributory Retirement System** and the **Tier 2 Public Safety and Firefighter Contributory Retirement System** are multiple-employer, cost-sharing public employee retirement systems; and
- v) five defined contribution plans comprised of the **401(k) Plan, 457 Plan, Roth and traditional IRAs, and HRA.**

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

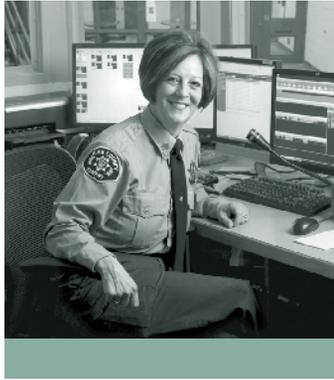
Reporting Entity — These basic financial statements cover all of the foregoing retirement systems and defined contribution plans administered by the Utah State Retirement Board (Board), the sole governing body for these Systems and Plans.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems and Plans under the direction of the Board, whose members are appointed by the Governor. The Plans are established under the authority of the same sections of the Utah Code Annotated 1953, as amended, as well as under



Notes to the Basic Financial Statements (Continued)

December 31, 2012



Sections 401(k), 457, 408, and 408A of the Internal Revenue Code. The Plans may be amended by the Board within the parameters of the Internal Revenue Code. The Systems and Plans are fiduciary funds defined as pension (and other employee benefit) trust funds. Utah Retirement Systems are a component unit of the State of Utah.

B) Retirement and Death Benefits

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

The Utah Governors and Legislators Retirement Plan provides the following benefits. Former governors at age 65 receive \$1,280 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$28.00 per month per year of service. Retirement at age 62 with 10 or more years of service will receive an actuarial reduction. Both the governors' and legislators' benefits are adjusted based on the Consumer Price Index (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) Defined Contribution Plans

The 401(k), 457, Roth and traditional IRAs, and HRA administered by the Board are defined contribution plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems. Contributions may be made into the Plans subject to plan and Internal Revenue Code limitations by employees of employers

Summary of Benefits by System

| | Noncontributory System | Contributory System | Public Safety System | Fire-fighters System | Judges System | Tier 2 Public Employees System | Tier 2 Public Safety and Firefighters System |
|---|---|--|---|---|---|--|--|
| Final average salary is | Highest 3 years | Highest 5 years | Highest 3 years | Highest 3 years | Highest 2 years | Highest 5 years | Highest 5 years |
| Years of service required and/or age eligible for benefit | 30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65 | 30 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 | 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 | 35 years any age 20 years age 60 10 years age 62 4 years age 65 | 25 years any age 20 years age 60 10 years age 62 4 years age 65 |
| Benefit percent per year of service** | 2.0% per year all years | 1.25% per year to June 1975 2.0% per year July 1975 to present | 2.5% per year up to 20 years 2.0% per year over 20 years | 2.5% per year up to 20 years 2.0% per year over 20 years | 5.0% first 10 years 2.25% second 10 years 1.0% over 20 years | 1.5% per year all years | 1.5% per year all years |

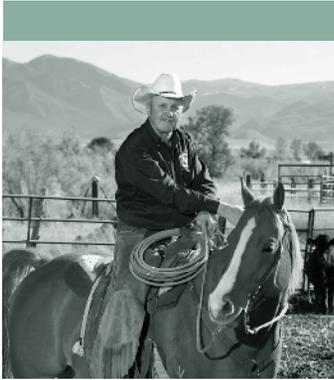
Note: The Utah Governors and Legislators Retirement Plan benefits are explained in the second paragraph of section B) above.

*With actuarial reductions.

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

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012



Defined Contribution Plans

| | 401(k) | 457 | Roth IRA | Traditional IRA | HRA |
|-----------------------------------|---------|--------|----------|-----------------|-------|
| Number of participating employers | 379 | 162 | NA | NA | NA |
| Total participants | 150,242 | 16,623 | 3,996 | 891 | 1,899 |

sponsoring the Plans. Employer contributions may be made into the 401(k) and 457 Plans at rates determined by the employers and according to Utah Title 49. There are 379 employers participating in the 401(k) Plan and 162 employers participating in the 457 Plan. There are 150,242 plan participants in the 401(k) Plan, 16,623 participants in the 457 Plan, 3,996 participants in the Roth IRA, 891 participants in the traditional IRA, and 1,899 participants in the HRA.

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

Investments in the defined contribution Plans are individually directed and controlled by plan participants who direct the investment of their funds among several investment options of varying degrees of risk and earnings potential. Participants may transfer their funds between these options no more frequently than every seven days. There is also a 2% trading fee for investment transfers between core fund options more frequently than every 30 days. Investments of the Plans are reported at fair value.

D) Contributions

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

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

In the 401(k) and 457 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 on 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. The employee may also contribute to the Roth and traditional deemed IRAs where earnings may grow tax deferred and possibly tax free.

E) Covered Employees

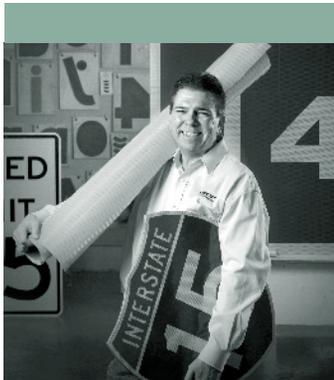
The **Public Employees Noncontributory Retirement System (Noncontributory System)** was established on July 1, 1986 and is comprised of two divisions, the State and School division and the Local Government division. These divisions are not separate plans.

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Participating Membership by System

| | Noncontributory System | Contributory System | Public Safety System | Firefighters System | Judges System | Utah Governors and Legislators Retirement Plan | Tier 2 Public Employees System | Tier 2 Public Safety and Firefighters System |
|-----------------------------|------------------------|---------------------|----------------------|---------------------|---------------|--|--------------------------------|--|
| Number of participating: | | | | | | | | |
| Employers | 435 | 159 | 130 | 57 | 1 | 1 | 461 | 145 |
| Members: | | | | | | | | |
| Active | 82,259 | 1,937 | 7,313 | 1,884 | 111 | 113 | 10,356 | 477 |
| Terminated vested | 35,119 | 1,157 | 2,889 | 166 | 4 | 81 | — | — |
| Retirees and beneficiaries: | | | | | | | | |
| Service benefits | 40,456 | 4,369 | 4,284 | 1,112 | 117 | 224 | — | — |
| Disability benefits | — | 1 | 8 | 92 | — | — | — | — |



All eligible employees of the State and school entities hired subsequent to that date are automatically members of the Noncontributory System. Local government entities had the option of adopting the new System or remaining with the Contributory System. All Contributory System members whose employers adopted the Noncontributory System were given the opportunity to transfer to the new System during limited window periods. All eligible new hires subsequent to adoption of the noncontributory plans are automatically members of that plan.

The **Public 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. The System is comprised of two divisions, the State and School division and the Local Government division. These divisions are not separate plans. 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 Safety Retirement System** includes eligible State and local government employees directly involved in law enforcement (e.g., game wardens, prison guards, police officers, and highway patrol officers) and is comprised of eight divisions, the State of Utah, Division A with Social Security, Salt Lake City, Ogden, Provo, Logan, Bountiful, and Division B without Social Security. These divisions are not separate plans. The Public Safety System consists of both contributory and noncontributory divisions. The noncontributory divisions were authorized by the Legislature effective July 1, 1989.

The **Firefighters Retirement System** includes eligible State and local government employees directly involved in fire fighting and is comprised of two divisions, Division A with Social Security and Division B without Social Security. These divisions are not separate plans.

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

The **Utah Governors and Legislators Retirement Plan** includes only governors and legislators of the State.

The **Tier 2 Public Employees Contributory Retirement System** includes eligible public employees entering into the Utah Retirement Systems on or after July 1, 2011.

The **Tier 2 Public Safety and Firefighters Contributory Retirement System** includes eligible public safety and firefighters entering into the Utah Retirement Systems on or after July 1, 2011.

The **Defined Contribution Plans** may be utilized by employers adopting the Plans and by their employees.

As of December 31, 2012, participating members by System are included in the table above.

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012



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

Utah Retirement Systems adheres to Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*. 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 80.

The financial statements include certain prior year summarized comparative information in total, but not by system or plan. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Systems' financial statements for the year ended December 31, 2011, from which the summarized information was derived.

B) Investments

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

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



Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

Mortgages have been valued on an amortized cost basis that approximates market or fair value. The fair value of real estate investments has been estimated based on independent appraisals and/or property cashflow. Short-term securities 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 alternative investments (private equity, absolute return, and real assets) where no readily ascertainable market value exists, management, in consultation with their investment advisors, value these investments in good faith based upon audited financials, cash-flow analysis, purchase and sales of similar investments, other practices used within the industry, or other information provided by the underlying investment advisors. The estimated fair value of these investments may differ significantly from values that would have been used had a ready market existed.

Approximately 10% of the net assets held in trust for pension benefits are invested in debt securities of the U.S. Government and its instrumentalities. Of the 10%, approximately 5% are U.S. Government debt securities and approximately 5% are debt securities of the U.S. Government instrumentalities. The Systems and Plans have no investments of any commercial or industrial organization whose market value equals 5% or more of the Systems' or Plans' net assets held in trust for pension benefits.

C) Property and Equipment

Property and equipment are recorded at cost (see note 4), are depreciated utilizing the straight-line method, and are included in the assets of the Investment Fund. The schedule below summarizes the estimated useful life by class. The Systems' policy is to capitalize all acquisitions of furniture and equipment with a unit cost of \$5,000 or more.

| | | | |
|-----------------------|----------|-------------------------|------------|
| Buildings | 40 years | Furniture and equipment | 3-10 years |
| Building improvements | 10 years | Computer software | 5 years |

D) Administrative Expenses

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

E) Federal Tax Status

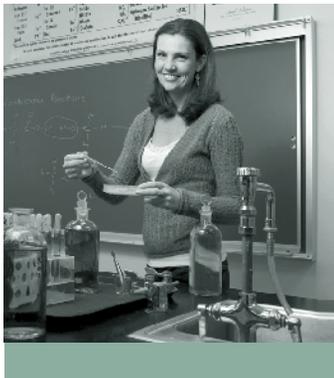
The Systems and Plans are exempt from Federal income taxes under the Internal Revenue Code.

F) Use of Estimates

Management of the Systems and Plans have made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates.

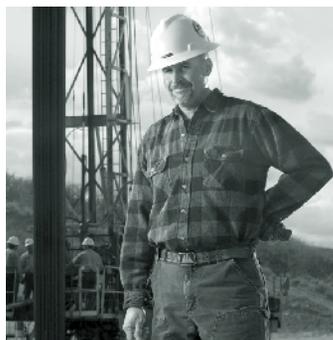
G) Subsequent Events

The Systems and Plans have performed an evaluation of subsequent events through April 19, 2013, the date the basic financial statements were available to be issued. No material events were identified by the Systems.



Notes to the Basic Financial Statements (Continued)

December 31, 2012



Note 3 Deposits and Investment Risk Disclosures



Cash Deposits

(in thousands)

| | |
|---|--------------------|
| Cash | \$ 9,700 |
| Disbursements in excess of cash balances | (30,231) |
| Total | \$ (20,531) |

Investments

at December 31, 2012

(in thousands)

Fair Value

| | Defined Benefit | Defined Contribution | Total All Systems and Plans |
|---|---------------------|-------------------------|--------------------------------|
| Short-term securities pools, domestic | \$ 1,295,797 | 10,212 | 1,306,009 |
| Short-term securities pools, international | 40,811 | — | 40,811 |
| Debt securities, domestic | 2,266,225 | 1,525,990 | 3,792,215 |
| Debt securities, international | 1,010,413 | 104,469 | 1,114,882 |
| Equity securities, domestic | 3,147,915 | 1,520,792 | 4,668,707 |
| Equity securities, international | 4,389,977 | 365,807 | 4,755,784 |
| Absolute return | 3,474,308 | — | 3,474,308 |
| Alternative investments (venture capital) | 2,593,847 | — | 2,593,847 |
| Real assets | 3,094,442 | 45,410 | 3,139,852 |
| Mortgage loans: | | | |
| Real estate notes | 6,847 | — | 6,847 |
| Investments held by broker-dealers under securities lending program: | | | |
| Debt securities, domestic | 774,804 | — | 774,804 |
| Debt securities, international | 41,059 | — | 41,059 |
| Equities securities, domestic | 449,185 | — | 449,185 |
| Equities securities, international | 285,307 | — | 285,307 |
| Total investments | \$22,870,937 | 3,572,680 | 26,443,617 |
| Securities lending collateral pool (not categorized) | \$ 1,590,130 | — | 1,590,130 |

A) Deposits

Custodial Credit Risk for Deposits is the risk that in the event of a bank failure, the Systems' and Plans' deposits may not be returned to them. The deposits are held in one financial institution with an insured balance of \$250,000. Deposits in the bank in excess of \$250,000 are uninsured and uncollateralized, because they are not required to be by state statute. The Systems and Plans do not have a deposit policy for custodial credit risk. Deposits are presented in the basic financial statements at cost plus accrued interest that is also the market or fair value. As of December 31, 2012, the carrying amount of deposits totaled approximately \$(20,531,000) and the corresponding bank balance was \$796,470 of which \$546,470 was exposed to custodial credit risk.

B) Investments

The table below shows the Systems' and Plans' investments by type.

Notes to the Basic Financial Statements (Continued)

December 31, 2012

| (in thousands) | 12/31/2012 | 12/31/2011 |
|-----------------|--------------------|------------------|
| Private equity | \$2,593,847 | 2,254,396 |
| Absolute return | 3,474,308 | 3,286,714 |
| Real assets | 3,139,852 | 2,925,881 |
| | <u>\$9,208,007</u> | <u>8,466,991</u> |

The investments listed at left are not listed on national exchanges, over-the-counter markets, nor do they have quoted market prices available.

The Systems and Plans value these investments in good faith at the Systems' and Plans' pro-rata interest in the net assets of these investments based upon audited financial statements or other information provided to the Systems and Plans by the underlying investment managers. The estimated fair value of these investments may differ significantly from values that would have been used had a ready market existed.

C) Credit Risk Debt Securities:

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

- U.S. Government and Agency Securities — no restriction.
- Total portfolio quality will maintain a minimum overall rating of "A" (S&P) or equivalent rating.

Credit Risk Debt Securities at Fair Value

at December 31, 2012

| | (in thousands) | | | | | | Total All Systems and Plans | |
|--|----------------|--------------------|------------------|-----------------------------|------------------|----------------|-----------------------------|----------------------------------|
| | Quality Rating | Domestic | International | Defined Benefit Plans Total | Domestic | International | | Defined Contribution Plans Total |
| | AAA | \$1,084,195 | 280,528 | 1,364,723 | 193,608 | 26,636 | 220,244 | 1,584,967 |
| | AA+ | 66,089 | 364,008 | 430,097 | 123,934 | 21,596 | 145,530 | 575,627 |
| | AA | 16,365 | 5,175 | 21,540 | 61,432 | 706 | 62,138 | 83,678 |
| | AA- | 24,332 | 70,334 | 94,666 | 1,418 | 6,088 | 7,506 | 102,172 |
| | A+ | 57,220 | 18,617 | 75,837 | 57,931 | 1,875 | 59,806 | 135,643 |
| | A | 87,127 | 33,327 | 120,454 | 30,279 | 6,276 | 36,555 | 157,009 |
| | A- | 144,776 | 48,884 | 193,660 | 59,221 | 7,233 | 66,454 | 260,114 |
| | BBB+ | 70,863 | 19,672 | 90,535 | 275,177 | 11,098 | 286,275 | 376,810 |
| | BBB | 64,345 | 114,604 | 178,949 | 73,764 | 4,161 | 77,925 | 256,874 |
| | BBB- | 57,244 | 13,400 | 70,644 | 30,923 | 6,748 | 37,671 | 108,315 |
| | BB+ | 5,327 | 4,210 | 9,537 | 18,568 | 2,107 | 20,675 | 30,212 |
| | BB | 11,726 | 19,316 | 31,042 | 18,164 | 1,051 | 19,215 | 50,257 |
| | BB- | 6,961 | — | 6,961 | — | 955 | 955 | 7,916 |
| | B+ | 1,670 | — | 1,670 | 22,403 | 1,271 | 23,674 | 25,344 |
| | B | 8,278 | — | 8,278 | — | 177 | 177 | 8,455 |
| | B- | 8,330 | 2,853 | 11,183 | — | — | — | 11,183 |
| | CCC+ | 3,859 | 2,731 | 6,590 | — | — | — | 6,590 |
| | CCC | 6,584 | — | 6,584 | — | — | — | 6,584 |
| | CCC- | 1,531 | — | 1,531 | — | — | — | 1,531 |
| | CC | 7,766 | — | 7,766 | — | — | — | 7,766 |
| | D | 2,886 | — | 2,886 | — | — | — | 2,886 |
| | NR | 97,025 | 53,813 | 150,838 | 18,924 | 6,121 | 25,045 | 175,883 |
| Total credit risk debt securities | | 1,834,499 | 1,051,472 | 2,885,971 | 985,746 | 104,099 | 1,089,845 | 3,975,816 |
| U.S. Government and Agencies | | | | | | | | |
| Federal Farm Credit Bank | AA+ | 1,000 | — | 1,000 | — | — | — | 1,000 |
| Federal Home Loan Bank | AA | 1,979 | — | 1,979 | — | — | — | 1,979 |
| Federal Home Loan Mortgage Corp | AA+ | 24,704 | — | 24,704 | — | — | — | 24,704 |
| Federal National Mortgage Association | AA | 42,470 | — | 42,470 | — | — | — | 42,470 |
| Federal National Mortgage Association | A- | — | — | — | 102,398 | — | 102,398 | 102,398 |
| Federal Home Loan Mortgage Corp | BBB | — | — | — | 67,665 | — | 67,665 | 67,665 |
| Federal Home Loan Mortgage Corp | NR | 221,440 | — | 221,440 | — | — | — | 221,440 |
| Federal National Mortgage Association | NR | 564,931 | — | 564,931 | — | — | — | 564,931 |
| Other Government and Agencies | NR | 350,006 | — | 350,006 | 370,181 | 370 | 370,551 | 720,558 |
| Total rated government and agencies | | 1,206,530 | — | 1,206,530 | 540,244 | 370 | 540,614 | 1,747,145 |
| Total debt securities investments | | \$3,041,029 | 1,051,472 | 4,092,501 | 1,525,990 | 104,469 | 1,630,459 | 5,722,961 |

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Debt Securities Investments, Domestic

at December 31, 2012

(dollars in thousands)

| Investment | Defined Benefit Plans | | Defined Contribution Plans | | Total All Systems and Plans |
|--|-----------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|
| | Fair Value | Effective Weighted Duration | Fair Value | Effective Weighted Duration | |
| Asset backed securities | \$ 141,514 | 1.12 | \$ 73,049 | 0.39 | \$ 214,563 |
| Commercial mortgage-backed | 89,547 | 2.28 | 142,421 | 1.96 | 231,968 |
| Corporate bonds | 505,349 | 5.46 | 516,306 | 4.32 | 1,021,655 |
| Corporate convertible bonds | 6,012 | 2.17 | — | — | 6,012 |
| Fixed income derivatives — futures | — | NA | — | — | — |
| Fixed income derivatives — options | 328 | NA | — | — | 328 |
| Fixed income futures | — | NA | — | — | — |
| Government agencies | 90,929 | 4.97 | 43,187 | 2.22 | 134,116 |
| Government bonds | 790,487 | 6.73 | 114,967 | 1.17 | 905,454 |
| Government mortgage backed securities | 920,541 | 3.06 | 326,977 | 1.43 | 1,247,518 |
| Government-issued commercial mortgage-backed | 8,105 | 3.30 | — | — | 8,105 |
| Government mortgage backed securities | 81,243 | NA | — | — | 81,243 |
| Guaranteed fixed income | 727 | 1.72 | — | — | 727 |
| Index linked government bonds | 311,265 | 11.28 | — | — | 311,265 |
| Municipal/Provincial bonds | 11,652 | 13.53 | 37,131 | 9.84 | 48,783 |
| Non-government backed C.M.O.s | 86,068 | 1.56 | — | — | 86,068 |
| Other fixed income | 5 | NA | 51,839 | NA | 51,844 |
| Collateral held elsewhere | — | NA | — | — | — |
| Other options | (2,443) | NA | — | — | (2,443) |
| Swap liabilities | (1,530) | NA | — | — | (1,530) |
| Swaps | 1,230 | NA | — | — | 1,230 |
| Treasury inflation protected securities | — | — | 17,795 | 1.07 | 17,795 |
| Treasury notes | — | — | 155,733 | 5.96 | 155,733 |
| Whole loan C.M.O.s | — | — | 46,585 | 1.85 | 46,585 |
| Total | \$3,041,029 | 5.29 | \$1,525,990 | 3.04 | \$4,567,019 |

Debt Securities Investments, International

at December 31, 2012

(dollars in thousands)

| Investment | Defined Benefit Plans | | Defined Contribution Plans | | Total All Systems and Plans |
|------------------------------------|-----------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|
| | Fair Value | Effective Weighted Duration | Fair Value | Effective Weighted Duration | |
| Asset backed securities | \$ 10,697 | 0.04 | \$ 4,172 | 1.04 | \$ 14,869 |
| Commercial mortgage obligations | — | NA | 163 | 4.21 | 163 |
| Corporate bonds | 213,700 | 3.84 | 25,830 | 3.85 | 239,530 |
| Fixed income derivatives — futures | (66,165) | 8.45 | 1,215 | 7.20 | (64,950) |
| Fixed income futures | 66,165 | NA | (1,215) | NA | 64,950 |
| Government agencies | 11,051 | 2.75 | 619 | 3.90 | 11,670 |
| Government bonds | 257,301 | 5.90 | 31,042 | 8.98 | 288,343 |
| Guaranteed fixed income | 10,224 | 0.99 | — | NA | 10,224 |
| Index linked government bonds | 532,609 | 5.13 | 35,276 | 8.59 | 567,885 |
| Municipal/Provincial bonds | 2,663 | 2.91 | 2,975 | 5.12 | 5,638 |
| Non-government backed C.M.O.s | 13,221 | 0.20 | — | NA | 13,221 |
| Other options | 6 | NA | 4,392 | 0.01 | 4,398 |
| Total | \$1,051,472 | 4.68 | \$104,469 | 6.82 | \$1,155,941 |

● Securities with a quality rating of below BBB- are considered below investment grade. No more than 5% of an investment manager's assets at market with a single issuer of 1% of the total portfolio can be below investment grade.

● Upon approval, a domestic debt securities investment manager may invest up to 10% of the portfolio in non-U.S. dollar denominated bonds.

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

The Systems' weighted quality rating average of the domestic debt securities, excluding pooled investments, as of December 31, 2012, was AAA, and the fair value of below grade investments was \$161,944,000 or 5.33% of the domestic portfolio. The weighted quality rating average of the international debt securities investments, as of December 31, 2012, was AA+ and the fair value of below grade investments was \$82,923,000 or 7.89% of the international portfolio.

D) Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Systems and Plans will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. URS does not have an investment policy regarding custodial credit risk. As of December 31, 2012, the table below represents the investments that have custodial

Custodial Credit Risk

Exposed to Custodial Credit Risk (in thousands)

| Type of Investment | Fair Value |
|---------------------------|------------|
| Cash and cash equivalents | \$22,378 |

Exposure to Custodial Credit Risk Not Determined

| Investment | Fair Value |
|--------------|------------|
| Other assets | \$21,315 |

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012



credit risk. The \$22,378,000 frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in the Systems' and Plans' name. Because it is in foreign banks, it is subject to custodial credit risk. URS does not have an investment policy regarding custodial credit risk for frictional cash in foreign banks.

E) Concentrations of Credit Risk

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

- AAA/Aaa Debt Securities — no more than 5% of an investment manager's assets at market with a single issuer.
- AA-/Aa3 Debt Securities or higher — no more than 4% of an investment manager's assets at market with a single issuer.
- A-/A3 Debt Securities or higher — no more than 3% of an investment manager's assets at market with a single issuer.
- BBB-/Baa3 Debt Securities or higher — no more than 2% of an investment manager's assets at market with a single issuer.
- For Debt Securities — no individual holding will constitute more than 10% of the market value of outstanding debt of a single issuer with the exception of the U.S. Government or its agencies, or collateralized mortgage obligations.
- For Domestic Equity Securities — no individual holdings will constitute more than 4% of the securities of any single issuer. Also, no more than 8% of an investment manager's assets will be invested in the equity or REIT securities of any single issuer at market; or if specifically authorized in the manager's contract, the exposure of the portfolio to any single issuer will not exceed the greater of 5% of the portfolio value or 2% of the portfolio value plus the benchmark weight measured at the time of purchase.
- For International Equity Securities — no more than 8% of an investment manager's assets will be invested in the equity or REIT securities of any single issuer at market; or if specifically authorized in the manager's contract, the exposure of the portfolio to any single issuer will not exceed the greater of 5% of the portfolio value or 2% of the portfolio value plus the benchmark weight measured at the time of purchase.

As of December 31, 2012, there were no single issuer investments that exceeded the above guidelines.

F) Interest Rate Risk

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

- For domestic debt securities managers, an individual debt securities investment manager's portfolio will have an effective duration between 75 – 125% of the effective duration of the appropriate index.
- The international debt securities investment managers will maintain an effective duration of their portfolio between 50 – 150% of the appropriate index.

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

The Systems and Plans compare an investment's effective duration against the Barclays Capital US Aggregate Index for domestic debt securities, the Barclays Capital

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

Global Aggregate Index for international debt securities, and the Barclays Capital World Government Inflation-Linked Investment Grade Custom Index (USD hedged) for inflation-linked debt securities. The index range as of December 31, 2012, was 3.79 - 6.32 for domestic debt securities, 2.92 - 8.76 for international debt securities, and 8.94 - 13.42 for inflation-linked debt securities. As of December 31, 2012, no individual debt security investment manager's portfolio was outside of the policy guidelines. As of December 31, 2012, the tables on page 60 show the investments by investment type, amount, and the effective weighted duration.

G) Foreign Currency Risk

The Systems and Plans expect the International Securities Investment Managers to maintain diversified portfolios by sector and by issuer using the following guidelines:

- International investment managers invest in fixed income instruments and equity instruments of corporations headquartered outside of the United States unless specifically authorized within the investment managers' contract.
- Domestic investment managers are allowed to invest in international corporations traded in American Depository Receipts (ADR).
- Portfolios should be adequately diversified to limit foreign currency and security risk.

Risk of loss arises from changes in currency exchange rates. The Systems' and Plans' exposure to foreign currency risk is shown on page 63.

H) Securities Lending

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

At year end there was no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year end were \$1,550,355,000 and the collateral received for those securities on loan was \$1,590,130,000. Under the terms of the lending agreement, the Systems and Plans are indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency or failure of the lending agent to properly evaluate the credit worthiness of the borrower. In addition, the Systems and Plans are indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis. All securities loaned can be terminated on demand by either the Systems and Plans or the borrower. Cash collateral is invested in the lending agent's short-term investment pool.

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



Notes to the Basic Financial Statements (Continued)

December 31, 2012

Foreign Currency Risk

International Investment
Securities at Fair Value
at December 31, 2012

| Currency | <i>(in thousands)</i> | | | | Defined Contribution Plans | | | Total All Systems and Plans |
|--|-----------------------|------------------|------------------|------------------|----------------------------|----------------|----------------|-----------------------------------|
| | Short-Term | Equity | Debt | Total | Equity | Debt | Total | |
| ADR* US dollar | \$ — | 355,800 | 8,419 | 364,219 | 2,980 | 26,443 | 29,423 | 393,642 |
| Argentine peso | — | 1,191 | — | 1,191 | — | — | — | 1,191 |
| Australian dollar | 3,255 | 184,015 | 18,350 | 205,620 | 22,054 | 1,841 | 23,895 | 229,515 |
| Bahamian dollar | — | — | — | — | 9 | — | 9 | 9 |
| Bahraini dinar | — | — | 2,365 | 2,365 | — | — | — | 2,365 |
| Bermuda — US dollar | — | 10 | 1,813 | 1,823 | 1,460 | — | 1,460 | 3,283 |
| Brazilian real | 12 | 95,487 | 8,102 | 103,601 | 10,768 | 1,865 | 12,633 | 116,234 |
| British pound sterling | 2,665 | 699,108 | 344,542 | 1,046,315 | 52,608 | 10,876 | 63,484 | 1,109,799 |
| Canadian dollar | 3,476 | 266,849 | 69,189 | 339,514 | 28,666 | 3,836 | 32,502 | 372,016 |
| Cayman Islands dollar | — | 7 | 688 | 695 | 2,747 | 167 | 2,914 | 3,609 |
| Chilean peso | 64 | 15,375 | 870 | 16,309 | 1,601 | 1,354 | 2,955 | 19,264 |
| Chinese yuan renminbi | — | 154,346 | — | 154,346 | 10,800 | 201 | 11,001 | 165,347 |
| Columbian peso | 23 | 10,110 | — | 10,133 | 1,042 | 142 | 1,184 | 11,317 |
| Congolese franc | — | — | — | — | 9 | — | 9 | 9 |
| Croatian kuna | — | — | 3,021 | 3,021 | — | — | — | 3,021 |
| Czech koruna | 28 | 1,953 | 225 | 2,206 | 261 | — | 261 | 2,467 |
| Danish krone | 153 | 26,197 | — | 26,350 | 2,952 | 3 | 2,955 | 29,305 |
| Egyptian pound | 21 | 6,688 | — | 6,709 | 311 | — | 311 | 7,020 |
| Euro | 18,392 | 1,026,859 | 340,283 | 1,385,534 | 72,235 | 25,110 | 97,345 | 1,482,879 |
| French Pacific franc | — | — | — | — | 2 | — | 2 | 2 |
| Gibraltar pounds | — | — | — | — | 29 | — | 29 | 29 |
| Guernsey pound | — | — | 211 | 211 | — | — | — | 211 |
| Hong Kong dollar | 651 | 98,733 | 4,487 | 103,871 | 9,471 | 2,077 | 11,548 | 115,419 |
| Hungarian forint | 16 | 1,787 | 1,769 | 3,572 | 185 | — | 185 | 3,757 |
| Icelandic krona | — | — | 2,263 | 2,263 | — | 395 | 395 | 2,658 |
| Indian rupee | 121 | 75,161 | — | 75,282 | 5,886 | — | 5,886 | 81,168 |
| Indonesian rupiah | 59 | 19,920 | — | 19,979 | 2,548 | — | 2,548 | 22,527 |
| Isle of Man pound | — | — | — | — | 140 | 202 | 342 | 342 |
| Japanese yen | 7,822 | 684,074 | 72,708 | 764,604 | 50,713 | 11,734 | 62,447 | 827,051 |
| Kazakhstan tenge | — | — | — | — | — | 202 | 202 | 202 |
| Korean won | 2 | 137,149 | 6,683 | 143,834 | 107 | 342 | 449 | 144,283 |
| Malaysian ringgit | 165 | 38,227 | 645 | 39,037 | 3,228 | 428 | 3,656 | 42,693 |
| Mauritian rupee | — | 2,325 | — | 2,325 | 75 | — | 75 | 2,400 |
| Mexican peso | 31 | 33,236 | 25,781 | 59,048 | 4,160 | 3,414 | 7,574 | 66,622 |
| Mongolian tugriks | — | — | — | — | — | 198 | 198 | 198 |
| Moroccan dirham | 11 | 1,941 | — | 1,952 | 73 | — | 73 | 2,025 |
| New Israeli sheqel | 123 | 17,541 | 6,162 | 23,826 | 1,496 | — | 1,496 | 25,322 |
| New Zealand dollar | 100 | 2,720 | — | 2,820 | 483 | 166 | 649 | 3,469 |
| Norwegian krone | 121 | 37,278 | 15,484 | 52,883 | 2,252 | 691 | 2,943 | 55,826 |
| Peruvian nuevo soles | 3 | 4,580 | — | 4,583 | 157 | 539 | 696 | 5,279 |
| Philippines peso | — | 7,626 | — | 7,626 | 905 | — | 905 | 8,531 |
| Polish zloty | 27 | 9,154 | 19,882 | 29,063 | 1,374 | 844 | 2,218 | 31,281 |
| Puerto Rico — US dollar | — | 373 | — | 373 | — | — | — | 373 |
| Qatari riyal | — | — | 937 | 937 | — | — | — | 937 |
| Russian Federation ruble | — | 52,222 | 6,726 | 58,948 | 4,800 | 685 | 5,485 | 64,433 |
| Singaporean dollar | 290 | 57,944 | 28,642 | 86,876 | 4,579 | 2,832 | 7,411 | 94,287 |
| Slovakian koruna | — | — | — | — | — | 2,388 | 2,388 | 2,388 |
| Slovenian tolar | — | — | 357 | 357 | — | 424 | 424 | 781 |
| South African rand | 26 | 57,041 | 633 | 57,700 | 6,806 | 620 | 7,426 | 65,126 |
| South Korean won | — | — | — | — | 13,743 | — | 13,743 | 13,743 |
| Swedish krona | 908 | 83,602 | 38,208 | 122,718 | 7,632 | 1,521 | 9,153 | 131,871 |
| Swiss franc | 1,139 | 284,053 | 19,577 | 304,769 | 19,765 | 1,761 | 21,526 | 326,295 |
| Taiwanese new dollar | 1,052 | 81,402 | — | 82,454 | 10,519 | — | 10,519 | 92,973 |
| Thai baht | 13 | 18,928 | — | 18,941 | 2,384 | 204 | 2,588 | 21,529 |
| Turkish lira | 32 | 19,024 | — | 19,056 | 1,792 | 687 | 2,479 | 21,535 |
| United Arab Emirates dirham | 10 | 5,248 | 2,450 | 7,708 | — | — | — | 7,708 |
| Venezuelan bolivar | — | — | — | — | — | 277 | 277 | 277 |
| Total securities subject to foreign currency risk | \$ 40,811 | 4,675,284 | 1,051,472 | 5,767,567 | 365,807 | 104,469 | 470,276 | 6,237,843 |

*American Depository Receipts

Notes to the Basic Financial Statements (Continued)

December 31, 2012

I) Derivative Financial Instruments

The Systems and Plans invest in derivative financial investments as authorized by Board policy. Derivatives are financial arrangements between two parties whose payments are based on, or "derived" from, the performance of some agreed-upon benchmark. All derivatives are considered investments. The fair value of all derivative financial instruments

Currency Forwards

| Currency | Notional Cost | Pending Foreign Exchange Purchases | Pending Foreign Exchange Sales | Defined Benefit | |
|---|---------------|------------------------------------|--------------------------------|-----------------|-----------------|
| | | | | Fair Value 2012 | Fair Value 2011 |
| Australian dollar | \$ 10,479,698 | 35,530,889 | (25,525,450) | 10,005,439 | 12,366,820 |
| Brazilian real | (827,358) | 134,204 | (976,030) | (841,826) | — |
| British pound sterling | (202,959,274) | 95,218,047 | (301,080,352) | (205,862,306) | (84,834,718) |
| Canadian dollar | 554,071 | 48,900,800 | (48,179,681) | 721,119 | (12,916,255) |
| Euro | (166,429,497) | 211,117,730 | (377,273,893) | (166,156,163) | (78,057,919) |
| Hong Kong dollar | 8,900,337 | 16,052,676 | (7,152,009) | 8,900,667 | 11,764,072 |
| Hungarian forint | (1,186,526) | — | (1,169,906) | (1,169,906) | — |
| Japanese yen | 58,437,650 | 121,143,870 | (64,710,969) | 56,432,901 | 120,928,938 |
| Malaysian ringgit | — | — | — | — | (87,853) |
| Mexican peso | (20,000) | — | (19,993) | (19,993) | (696,027) |
| Polish zloty | (40,000) | — | (39,957) | (39,957) | — |
| South African rand | (60,142) | 60,314 | (121,119) | (60,805) | — |
| South Korean won | (3,064,711) | 140,153 | (3,247,153) | (3,107,000) | (4,514,533) |
| Swedish krona | (8,136,473) | 13,234,897 | (21,443,553) | (8,208,655) | (8,577,098) |
| Swiss franc | — | — | — | — | (6,878) |
| Turkish lira | (22,407) | — | (22,413) | (22,413) | — |
| United States dollar | 304,374,632 | 837,970,087 | (533,595,455) | 304,374,632 | 53,750,773 |
| Total forwards subject to foreign currency risk | | | | \$ (5,054,266) | \$ 9,119,322 |

| Currency | Notional Cost | Pending Foreign Exchange Purchases | Pending Foreign Exchange Sales | Defined Contribution | |
|---|---------------|------------------------------------|--------------------------------|----------------------|-----------------|
| | | | | Fair Value 2012 | Fair Value 2011 |
| Australian dollar | 209,902 | 487,004 | (290,921) | 196,083 | 5,242 |
| Brazilian real | 1,351,877 | 4,169,435 | (2,783,518) | 1,385,917 | (484,471) |
| British pound sterling | (5,449,151) | 4,557,629 | (10,111,866) | (5,554,237) | (9,593,522) |
| Canadian dollar | — | — | (3,225,855) | (3,225,855) | 982,313 |
| Chilean peso | — | — | — | — | (715,807) |
| Danish krone | (1,305,158) | — | (1,315,191) | (1,315,191) | — |
| Euro | (9,604,472) | 3,715,327 | (13,427,815) | (9,712,489) | 1,966,691 |
| Hong Kong dollar | 2,077,607 | 2,077,428 | — | 2,077,428 | — |
| Hungarian forint | — | — | — | — | (590,169) |
| Japanese yen | 8,242,898 | 12,330,384 | (4,396,921) | 7,933,463 | 4,805,092 |
| Malaysian ringgit | 427,507 | 428,224 | — | 428,224 | 412,427 |
| Mexican peso | 1,835,631 | 1,801,367 | — | 1,801,367 | 1,730,536 |
| New Zealand dollar | (1,406,925) | 156,492 | (1,548,447) | (1,391,955) | 108,991 |
| Norwegian krone | 19,563 | 19,747 | — | 19,747 | 18,414 |
| Polish zloty | 504,052 | 509,094 | — | 509,094 | 458,883 |
| Russian Federation ruble | 678,119 | 684,751 | — | 684,751 | — |
| Singaporean dollar | 2,837,917 | 2,832,450 | — | 2,832,450 | 1,426,624 |
| South African rand | (958,216) | — | (977,093) | (977,093) | (66,563) |
| Swedish krona | (350,527) | 3,907,401 | (4,211,675) | (304,274) | (2,523,002) |
| Swiss franc | 864,641 | 874,436 | — | 874,436 | (1,016,386) |
| Turkish lira | (112,126) | — | (111,667) | (111,667) | — |
| United States dollar | 3,408,173 | 42,269,954 | (38,861,780) | 3,408,173 | 3,567,288 |
| Total forwards subject to foreign currency risk | | | | \$ (441,628) | \$ 492,581 |

Notes to the Basic Financial Statements (Continued)

December 31, 2012



are reported in the Statements of Fiduciary Net Assets — Pension (and Other Employee Benefit) Trust Funds. By policy, portfolio liabilities associated with investments will be backed by cash equivalents or deliverable securities. URS does not have a policy regarding master netting arrangements. As of December 31, 2012, the Systems and Plans had five types of derivative financial instruments: futures, currency forwards, options, swaps, and Synthetic Guaranteed Investment Contracts (SGIC).

Futures

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the Systems' and Plans' credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains in the Statement of Changes in Fiduciary Net Assets. As of December 31, 2012, the Systems' and Plans' investments had the notional future balances as shown below.

Currency Forwards

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rate on the foreign currency denominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized gains or losses on foreign currency related transactions in the Statement of Changes in Fiduciary Net Assets. As of December 31, 2012, the Systems' and Plans' investments included the currency forwards balances on page 64.

Options

Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. The option's price is usually a small percentage of the underlying asset's value. As a writer of financial options, the Systems and Plans receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, the Systems and Plans pay a premium at the outset of the agreement and the counter-party bears the risk of an unfavorable change in the price of the financial instrument underlying the option. As of December 31, 2012, the Systems' and Plans' investments had the option balances shown below.

Futures

| | Notional Value | | | |
|-------------------------|-----------------------|--------------------|----------------------------|------------------|
| | Defined Benefit Plans | | Defined Contribution Plans | |
| | 2012 | 2011 | 2012 | 2011 |
| Cash & Cash Equivalents | | | | |
| Long | \$ — | — | — | — |
| Short | — | (66,714,338) | — | (3,638,964) |
| Equity | | | | |
| Long | 664,243,185 | 945,838,619 | 24,189,760 | 22,360,110 |
| Short | — | — | — | — |
| Fixed Income | | | | |
| Long | 299,657,781 | 192,591,633 | 23,448,999 | 6,330,157 |
| Short | (511,298,039) | (762,049,257) | (22,234,494) | (18,436,778) |
| Total Futures | \$ 452,602,927 | 309,666,657 | 25,404,265 | 6,614,525 |

Options

| | Notional Value | |
|----------------------|-----------------------|---------------------|
| | 2012 | 2011 |
| Cash & Equivalents | | |
| Call | \$ 94,485 | — |
| Put | 50,431 | — |
| Fixed Income | | |
| Call | 13,345 | 35,063 |
| Put | 317,229 | — |
| Swaptions | | |
| Call | (2,475,411) | (13,524,450) |
| Put | 197,521 | (443,086) |
| Total Options | \$ (1,802,400) | (13,932,473) |

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Swaps

The Systems and Plans have entered into various inflation, credit default, and interest rate swap agreements in an attempt to manage their exposure to inflation, credit, and interest rate risk. Inflation risk represents the exposure to fair value losses arising from inflation, while interest rate risk represents the exposure to fair value losses arising from the future changes in prevailing market interest rates. Credit risk is an investor's risk of

Fixed Income Portfolio Interest Rate Swaps

| Counterparty | Notional Amount | Utah Rate | Counterparty Rate | Maturity Date | Credit Rating | Defined Benefit | |
|----------------------------------|----------------------|-----------|-------------------|---------------|---------------|---------------------|-----------------|
| | | | | | | Fair Value 2012 | Fair Value 2011 |
| Credit Suisse International | \$ 13,200,000 | LIBOR** | 0.799% | 11/30/2013 | A+ | \$ — | 22,410 |
| Goldman Sachs Bank | 60,000,000 | LIBOR** | 0.739% | 12/22/2013 | A- | — | 26,370 |
| Credit Suisse International | 61,000,000 | LIBOR** | 0.743% | 12/22/2013 | A+ | — | 30,604 |
| Deutsche Bank | (28,400,000) | 0.445% | LIBOR** | 8/31/2014 | A+ | (76,027) | — |
| Credit Suisse International | (8,000,000) | 0.413% | LIBOR** | 9/4/2014 | A+ | (16,069) | — |
| Credit Suisse International | (39,000,000) | 0.393% | LIBOR** | 9/25/2014 | A+ | (62,552) | — |
| Credit Suisse International | (39,400,000) | 0.376% | LIBOR** | 11/15/2014 | A+ | (6,800) | — |
| Deutsche Bank | 2,700,000 | 2.163% | LIBOR** | 1/13/2016 | A+ | — | (147,663) |
| Credit Suisse International | 2,000,000 | 2.401% | LIBOR** | 3/8/2016 | A+ | — | 125,453 |
| Credit Suisse International | 13,100,000 | 2.055% | LIBOR** | 5/20/2016 | A+ | — | (565,627) |
| Deutsche Bank | 6,000,000 | 1.778% | LIBOR** | 6/29/2016 | A+ | — | (176,477) |
| Deutsche Bank | 4,800,000 | 1.782% | LIBOR** | 6/29/2016 | A+ | — | (142,027) |
| Goldman Sachs Bank | 13,100,000 | LIBOR** | 2.270% | 8/15/2016 | A- | — | 158,278 |
| Credit Suisse International | 2,800,000 | LIBOR** | 1.250% | 12/17/2019 | A+ | (4,548) | — |
| JPMorgan Chase Bank | 138,650 | 3.418% | LIBOR** | 12/16/2020 | A+ | (20,961) | (17,589) |
| Goldman Sachs Bank | 5,800,000 | 5.080% | LIBOR** | 5/9/2021 | A- | — | 1,612,519 |
| Credit Suisse International | 9,000,000 | LIBOR** | 2.178% | 11/10/2021 | A+ | — | 155,468 |
| Deutsche Bank | 13,000,000 | LIBOR** | 2.153% | 11/21/2021 | A+ | — | 177,869 |
| Credit Suisse International | 14,100,000 | LIBOR** | 2.040% | 12/21/2021 | A+ | — | 18,056 |
| Credit Suisse International | 5,400,000 | LIBOR** | 1.650% | 11/30/2022 | A+ | (71,146) | — |
| Deutsche Bank | (5,100,000) | 4.470% | LIBOR** | 12/19/2022 | A+ | (1,292,460) | — |
| Goldman Sachs Bank | 1,600,000 | 4.283% | LIBOR** | 4/19/2041 | A- | — | (574,871) |
| Credit Suisse International | 2,200,000 | 2.963% | LIBOR** | 10/14/2041 | A+ | — | (178,191) |
| Goldman Sachs Bank | 4,100,000 | 2.715% | LIBOR** | 11/30/2041 | A- | — | (101,359) |
| Credit Suisse International | (6,200,000) | 2.481% | LIBOR** | 7/5/2042 | A+ | 328,882 | — |
| Credit Suisse International | (3,200,000) | 2.313% | LIBOR** | 7/24/2042 | A+ | 292,668 | — |
| Credit Suisse International | (5,300,000) | 2.315% | LIBOR** | 7/26/2042 | A+ | 483,226 | — |
| Goldman Sachs Bank | (1,200,000) | 2.256% | LIBOR** | 7/26/2042 | A | 125,106 | — |
| Total Interest Rate Swaps | \$ 98,238,650 | | | | | \$ (320,681) | 423,223 |

| Counterparty | Notional Amount | Utah Advisor Rate | Counterparty Rate | Maturity Date | Credit Rating | Defined Contribution | |
|---|-----------------------|-------------------|-------------------|---------------|---------------|----------------------|-----------------|
| | | | | | | Fair Value 2012 | Fair Value 2011 |
| JPMorgan Chase Bank | \$ 2,100,000 | 1.907 (EUR) | EURIBOR*** | 4/11/2016 | A+ | \$ 139,648 | 23,651 |
| Citibank | (4,700,000) | LIBOR** | 0.836% | 11/8/2017 | A | (6,022) | — |
| JPMorgan Chase Bank | 1,300,000 | N/A | 5.000% | 12/20/2017 | A+ | (3,969) | — |
| JPMorgan Chase Bank | (7,100,000) | LIBOR** | 1.761% | 11/8/2022 | A+ | 21,293 | — |
| Total Interest Rate and Credit Default Swaps | \$ (8,400,000) | | | | | \$ 150,950 | 23,651 |

Three Month London Interbank Offered Rate (LIBOR) *Six Month Euro Interbank Offered Rate (EURIBOR)

Notes to the Basic Financial Statements (Continued)

December 31, 2012

loss arising from a borrower who does not make payments as promised. Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty, who in turn agrees to make return interest payments that float with some reference rate. In an inflation swap one party pays a fixed rate on a notional principal amount to a counterparty,

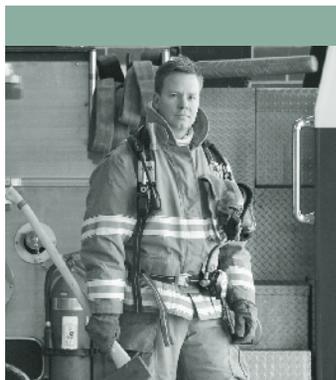
Real Estate Portfolio Interest Rate Swaps

| Counterparty | Notional Amount | Utah Rate | Counterparty Rate | Maturity Date | Credit Rating | Fair Value 2012 | Fair Value 2011 |
|--|----------------------|-----------|-------------------|---------------|---------------|------------------------|----------------------|
| Morgan Stanley | \$ 19,000,000 | 4.820% | LIBOR* | 3/1/2012 | A- | \$ — | (143,594) |
| Merrill Lynch | 3,400,000 | 4.874% | LIBOR* | 3/1/2012 | A- | — | (26,005) |
| Bayerische Landesbank | 12,464,948 | 4.560% | LIBOR* | 3/1/2012 | A- | — | (88,816) |
| Merrill Lynch | 40,677,000 | 4.989% | LIBOR* | 6/1/2012 | A- | — | (790,505) |
| Merrill Lynch | 5,000,000 | 4.952% | LIBOR* | 6/1/2012 | A- | — | (96,345) |
| National Australia Bank | 7,512,000 | 5.003% | LIBOR* | 6/1/2012 | AA- | — | (146,414) |
| Morgan Stanley | 8,207,965 | 4.405% | LIBOR* | 10/1/2012 | A- | — | (248,213) |
| Morgan Stanley | 26,467,452 | 4.466% | LIBOR* | 10/1/2012 | A- | — | (812,647) |
| Morgan Stanley | 1,099,248 | 4.730% | LIBOR* | 10/1/2012 | A- | — | (35,954) |
| Morgan Stanley | 29,370,000 | 4.739% | LIBOR* | 10/1/2012 | A- | — | (962,530) |
| National Australia Bank | 4,856,670 | 4.675% | LIBOR* | 11/1/2012 | AA- | — | (174,052) |
| Morgan Stanley | 4,869,065 | 4.748% | LIBOR* | 12/31/2012 | A- | — | (211,328) |
| Merrill Lynch | 51,917,095 | 4.890% | LIBOR* | 12/31/2012 | A- | — | (2,327,812) |
| National Australia Bank | 6,998,214 | 4.933% | LIBOR* | 3/1/2013 | AA- | (54,198) | (367,147) |
| Morgan Stanley | 15,800,253 | 5.017% | LIBOR* | 4/1/2013 | A- | (190,140) | (904,384) |
| Morgan Stanley | 10,350,000 | 5.176% | LIBOR* | 4/1/2013 | A- | (128,653) | (613,117) |
| National Australia Bank | 14,203,150 | 5.329% | LIBOR* | 5/1/2013 | AA- | (242,707) | (924,254) |
| National Australia Bank | 1,170,000 | 5.420% | LIBOR* | 5/1/2013 | AA- | (20,348) | (77,567) |
| National Australia Bank | 5,128,500 | 5.360% | LIBOR* | 8/1/2013 | AA- | (155,596) | (397,435) |
| Morgan Stanley | 1,152,466 | 4.308% | LIBOR* | 11/1/2013 | A- | (39,788) | (80,604) |
| National Australia Bank | 20,337,593 | 5.077% | LIBOR* | 12/2/2013 | AA- | (918,296) | (1,787,933) |
| Merrill Lynch | 928,028 | 4.950% | LIBOR* | 5/1/2014 | A- | (58,786) | (95,121) |
| National Australia Bank | 2,443,700 | 4.955% | LIBOR* | 6/2/2014 | AA- | (164,689) | (259,182) |
| Morgan Stanley | 8,703,500 | 4.694% | LIBOR* | 10/1/2014 | A- | (681,996) | (976,657) |
| Morgan Stanley | 13,596,699 | 4.447% | LIBOR* | 10/20/2014 | A- | (1,035,397) | (1,458,795) |
| Morgan Stanley | 31,397,826 | 4.406% | LIBOR* | 11/1/2014 | A- | (2,408,922) | (3,363,515) |
| Merrill Lynch | 35,309,122 | 5.273% | LIBOR* | 2/1/2015 | A- | (3,716,650) | (5,024,768) |
| Morgan Stanley | 32,600,000 | 5.046% | LIBOR* | 9/1/2015 | A- | (4,127,909) | (5,078,590) |
| Morgan Stanley | 32,900,000 | 4.868% | LIBOR* | 1/4/2016 | A- | (4,476,910) | (5,267,386) |
| Morgan Stanley | 133,704,000 | 5.292% | LIBOR* | 5/2/2016 | A- | (21,842,514) | (25,110,397) |
| Morgan Stanley | 17,250,000 | 5.464% | LIBOR* | 7/1/2016 | A- | (3,044,466) | (3,462,281) |
| Merrill Lynch | 7,640,000 | 5.430% | LIBOR* | 7/1/2016 | A- | (1,339,245) | (1,521,817) |
| Morgan Stanley | 44,276,861 | 5.342% | LIBOR* | 9/1/2016 | A- | (7,944,824) | (8,880,919) |
| National Australia Bank | 11,801,225 | 5.125% | LIBOR* | 12/1/2016 | AA- | (2,138,550) | (2,331,396) |
| National Australia Bank | 985,352 | 5.110% | LIBOR* | 12/1/2016 | AA- | (177,979) | (193,942) |
| National Australia Bank | 5,080,000 | 4.970% | LIBOR* | 1/3/2017 | AA- | (906,432) | (977,117) |
| Morgan Stanley | 4,485,385 | 4.690% | LIBOR* | 3/1/2018 | A- | (904,850) | (904,191) |
| Morgan Stanley | 71,700,000 | 4.722% | LIBOR* | 10/1/2020 | A- | (18,437,861) | (17,567,910) |
| Morgan Stanley | 43,660,000 | 5.294% | LIBOR* | 11/1/2021 | A- | (14,107,463) | (13,647,384) |
| Total Real Estate Interest Rate Swaps | \$788,443,317 | | | | | \$ (89,265,169) | (107,338,024) |

*One month London Interbank Offered Rate (LIBOR)

Notes to the Basic Financial Statements (Continued)

December 31, 2012



who in turn agrees to make return payments associated with a floating rate linked to an inflation index. Most of the interest rate swaps were purchased in connection with variable real estate debt. Those interest rate swaps allowed the Systems to effectively convert most of their long-term variable interest rate credit facility loans into fixed interest rate loans, thereby mitigating some of their interest rate risk. All swap instruments contain collateral clauses. As of December 31, 2012, Credit Suisse International swaps had collateral held for \$2,295,267. Gains and losses on swaps are determined based on market values and are recorded in the Statement of Changes in Plan Net Assets. Swap market values are determined by an independent third party. As of December 31, 2012, the Systems' and Plans' investments had the swap market value balances as shown in the tables on pages 66 and 67.

Derivative Credit Risk

Derivatives that are exchange traded are not subject to credit risk. No derivatives held are subject to custodial credit risk. The maximum loss that would be recognized as of December 31, 2012, if all counterparties fail to perform as contracted was \$1,464,665,000. This maximum exposure is reduced by \$1,561,399,000 of liabilities, resulting in no net exposure to credit risk. Credit ratings for the wrap contracts associated with the SGICs are noted below. As of December 31, 2012, the counterparties' credit ratings for currency forwards, swaptions, and swaps are subject to credit risk.

Credit Risk Derivatives at Fair Value

| Quality Rating | Forwards | Options | Futures | Swaps | Total |
|------------------------------|---------------|-------------|---------|--------------|--------------|
| AA- | \$ (282,339) | — | — | (4,778,795) | (5,061,134) |
| A+ | 940,217 | 423,013 | — | (288,815) | 1,074,415 |
| A | (6,093,368) | (2,700,903) | — | 119,084 | (8,675,187) |
| A- | (60,404) | — | — | (84,486,374) | (84,546,778) |
| N/A | — | 327,792 | — | — | 327,792 |
| Total subject to credit risk | \$(5,495,894) | (1,950,098) | — | (89,434,900) | (96,880,892) |

Synthetic Guaranteed Investment Contracts

In the Utah Retirement Systems Defined Contribution Plans, members are able to participate in Synthetic Guaranteed Investment Contracts (SGICs). The SGICs are fully benefit responsive, which means that Utah Retirement Systems is prohibited from assigning and selling the contract or its proceeds to a third party without the consent of the issuer. Prospective interest crediting rate adjustments are provided to plan participants. The SGICs provide assurance that the probability of future rate adjustments resulting in an interest crediting rate less than zero is remote. The underlying investments are high credit quality averaging A+ and therefore credit loss is remote. The terms of the SGICs require all plan participants to initiate transactions within the fund at contract value. The contract value is the fair value (cost plus accrued interest). The fair value of these contracts as of December 31, 2012, was \$856,230,000 and the market value was \$895,513,000.

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Synthetic Guaranteed Investment Contracts Underlying Investments

(in thousands)

| Underlying Investments | 1-5 Yr. Government/Credit | | Intermediate Government/Credit | | Total Underlying Investments | |
|---------------------------------------|---------------------------|----------------|--------------------------------|----------------|------------------------------|----------------|
| | Fair Value | Market Value | Fair Value | Market Value | Fair Value | Market Value |
| Asset Backed Securities | \$ 40,687 | 41,024 | 17,760 | 18,329 | 58,447 | 59,353 |
| Agencies | 20,525 | 20,694 | 16,890 | 17,432 | 37,415 | 38,126 |
| Corporates | 135,245 | 136,363 | 114,712 | 118,393 | 249,958 | 254,756 |
| Mortgage Backed Securities | 123,664 | 124,687 | 68,791 | 70,998 | 192,455 | 195,685 |
| Treasuries | 80,599 | 81,265 | 92,930 | 95,911 | 173,529 | 177,176 |
| Commercial Mortgage Backed Securities | 94,506 | 95,287 | 47,915 | 49,452 | 142,421 | 144,739 |
| Cash | 21,765 | 21,945 | 3,443 | 3,554 | 25,208 | 25,499 |
| Total | \$516,991 | 521,265 | 362,441 | 374,069 | 879,433 | 895,334 |

Wrap Contracts

(in thousands)

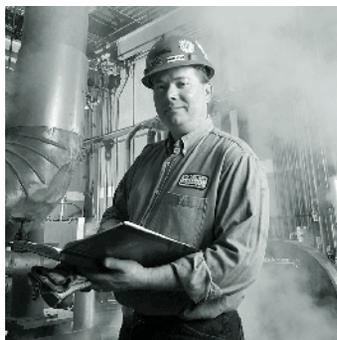
| Contract Issuer | Fair Value | Market Value | Rate | Duration | Quality Rating |
|--------------------------------|------------------|----------------|-------|----------|----------------|
| Bank of America | \$ 95,425 | 98,495 | 2.10% | 2.35 | A- |
| NATIXIS Financial | 65,496 | 67,208 | 1.88 | 2.35 | A+ |
| JPMorgan Chase | 69,871 | 74,956 | 3.15 | 3.60 | A+ |
| MetLife | 39,017 | 41,933 | 3.20 | 3.60 | AA- |
| Monumental Life | 125,174 | 134,778 | 3.16 | 3.60 | AA- |
| Monumental Life | 94,061 | 96,410 | 1.83 | 2.35 | AA- |
| Pacific Life | 184,835 | 189,714 | 1.88 | 2.35 | A+ |
| Royal Bank of Canada | 107,018 | 114,647 | 3.02 | 3.60 | AA- |
| State Street Bank | 75,333 | 77,372 | 1.99 | 2.35 | A+ |
| Subtotal wrap contracts | 856,230 | 895,513 | | | |
| Bank of America repurchase | 35,932 | 35,932 | 0.12% | | |
| Total | \$892,162 | 931,445 | | | |

J) Investment Payables

The investment accounts payable are comprised of investment advisor fees payable of \$7,628,000, administrative expenses payable of \$9,679,000, investment purchases payable of \$473,913,000 and various real estate payables of \$2,721,000.

K) Investment Compliance Officer

The Systems and Plans have an investment compliance officer on staff who reports his/her findings directly to the Board. The investment compliance officer monitors all of the investments made by the investment managers to determine the investments were made in accordance with the investment policies that were approved by the Board.



Note 4 Property and Equipment

Property and equipment consist of the amounts shown in the following table as of December 31, 2012, and 2011. There were no significant leases as of December 31, 2012, or 2011.

Property and Equipment

(in thousands)

| | 2012 | 2011 |
|---------------------------------------|-----------------|---------------|
| Land | \$ 1,780 | 1,780 |
| Buildings and building improvements | 17,607 | 11,555 |
| Furniture and equipment | 6,175 | 5,725 |
| Total property and equipment | 25,562 | 19,060 |
| Less accumulated depreciation: | | |
| Buildings and building improvements | 8,313 | 8,027 |
| Furniture and equipment | 3,713 | 3,631 |
| Total accumulated depreciation | 12,026 | 11,658 |
| Less operating reserves | 7,164 | 6,266 |
| Net property and equipment | \$ 6,372 | 1,136 |

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012



Note 5 Actuarial Valuations and Methods

5

A) Actuarial Asset Valuation

The actuarial value of assets is used in determining the funding progress of the Retirement Systems. The actuarial value of assets is based on a smoothed expected income investment rate. Beginning with the 2008 actuarial study, the investment rate of return assumption was changed from 8% to 7.75%. The 2011 actuarial study further reduced the investment rate of return assumption from 7.75% to 7.5%. Investment income in excess or shortfall of the

expected rate 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.

In 2009 two changes were made to the actuarial valuation. The first change was to increase the amortization period for amortizing the unfunded actuarial accrued liability (UAAL) from 20 years to 25 years. This funding period will be closed (i.e., the funding period will decrease by one year each year) until the funding period reaches 20 years, at which time the period will once again revert to an open 20-year amortization period. The second change was to widen the corridor used to determine the actuarial value of assets from 80% – 120% to 75% – 125% of market value.

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

The calculations on page 71 were utilized in determining the actuarial value of assets as of January 1, 2012, and December 31, 2012, 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 80 and 81 of this report.

C) Actuarial Cost Method and Assumptions

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

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

A schedule of the actuarial assumptions used in the actuarial report dated January 1, 2012, is presented in Notes to Required Supplementary Information on page 83.

Actuarial valuations of the ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the



Notes to the Basic Financial Statements (Continued)

December 31, 2012

Calculation of Actuarial Value of Assets

January 1, 2012

(dollars in thousands)

| | | | | |
|---|------|---------------------------|------------|-----------------|
| 1. Fair value of assets | | | | \$19,952,853 |
| 2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for: | | | | |
| | Year | Total Excess/ (Shortfall) | % Deferred | Amount Deferred |
| a. 2011 | | \$ (977,336) | 80% | \$ (781,870) |
| b. 2010 | | 955,382 | 60% | 573,227 |
| c. 2009 | | 855,755 | 40% | 342,300 |
| d. 2008 | | (6,490,100) | 20% | (1,298,022) |
| e. 2007 | | (286,303) | 0% | 0 |
| f. Total deferred gains (losses) | | | | (1,164,365) |
| g. Total deferred losses | | | | 1,164,365 |
| 3. Actuarial value of assets available for benefits* | | | | \$21,117,218 |

December 31, 2012

(dollars in thousands)

| | | | | |
|---|------|---------------------------|------------|-----------------|
| 1. Fair value of assets | | | | \$22,150,599 |
| 2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for: | | | | |
| | Year | Total Excess/ (Shortfall) | % Deferred | Amount Deferred |
| a. 2012 | | \$ 1,017,198 | 80% | \$ 813,760 |
| b. 2011 | | (977,336) | 60% | (586,399) |
| c. 2010 | | 955,382 | 40% | 382,154 |
| d. 2009 | | 855,755 | 20% | 171,152 |
| e. 2008 | | (6,490,100) | 0% | 0 |
| f. Total deferred gains | | | | 780,667 |
| g. Total deferred losses (gains) | | | | (780,667) |
| 3. Actuarial value of assets available for benefits* | | | | \$21,369,932 |

*Actuarial value of assets cannot exceed 125% of the fair value of assets or below 75% of the fair value of assets.

Actuarial Value of Assets by System

January 1, 2012

Calculation of Net Assets Available Based on Five-Year Expected Investment Income (in thousands)

| | Noncontributory System | Contributory System | Public Safety System | Firefighters System | Judges System | Governors and Legislators | Tier 2 Public Employees System | Tier 2 Public Safety and Firefighters System | Total All Systems |
|--|------------------------|---------------------|----------------------|---------------------|---------------|---------------------------|--------------------------------|--|-------------------|
| 1. Net assets available for benefits at fair value | \$15,935,472 | 1,013,050 | 2,103,751 | 765,524 | 123,235 | 8,933 | 2,799 | 89 | 19,952,853 |
| 2. Deferral to smooth asset values based on excess/shortfall of expected investment income on fair value | 870,480 | 122,201 | 118,451 | 45,240 | 7,326 | 632 | 34 | 1 | 1,164,365 |
| 3. Actuarial value of assets available for benefits (1-2) | \$16,805,952 | 1,135,251 | 2,222,202 | 810,764 | 130,561 | 9,565 | 2,833 | 90 | 21,117,218 |

future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress on page 77, presented as required supplementary information, shows the actuarial value of plan assets compared to the actuarial accrued liabilities for benefits.

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Contribution Rates

December 31, 2012

| System | Contribution Rates as a Percent of Covered Payroll | | |
|---------------------------------------|--|--------------|--------|
| | Member | Employer | Other |
| Noncontributory | — | 16.04-18.76% | — |
| Contributory | 6.00% | 12.03-14.27 | — |
| Public Safety: | | | |
| Noncontributory | — | 30.45-42.21 | — |
| Contributory | 10.50-12.29 | 19.08-27.95 | — |
| Firefighters: | | | |
| Division A | 15.05 | 2.66 | 11.84% |
| Division B | 16.71 | 2.08 | 11.84 |
| Judges: | | | |
| Noncontributory | — | 32.87 | 14.02 |
| Governors and Legislators | — | \$ 214,076 | — |
| Tier 2 Public Employees | — | 14.33-16.65% | — |
| Tier 2 Public Safety and Firefighters | — | 12.19-31.87 | — |

Required Contributions

(dollars in thousands)

| System | Normal Cost | |
|--|------------------|----------------------------|
| | Amount | Percent of Covered Payroll |
| Noncontributory Retirement System | \$484,406 | 12.76% |
| Contributory Retirement System | 12,078 | 11.72 |
| Public Safety Retirement System | 80,082 | 21.85 |
| Firefighters Retirement System | 31,687 | 28.65 |
| Judges Retirement System | 3,912 | 26.28 |
| Utah Governors and Legislators Retirement Plan | 214 | 23.52 |
| Tier 2 Public Employees System | 14,208 | 6.97 |
| Tier 2 Public Safety and Firefighters System | 1,031 | 10.07 |
| Total | \$627,618 | |



Note 6

Actuarially Determined Contribution Requirements and Contributions Made



Employer contribution rates consist of (1) an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and (2) an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 23-year amortization period. The rates are determined using the entry age actuarial cost method with a supplemental present value and the same actuarial assumptions that were used to calculate the actuarial accrued liability in the Schedules of Funding Progress on pages 80 and 81.

The schedule above left summarizes contribution rates in effect as of December 31, 2012. Contributions made by employers and members were in accordance with actuarially computed funding requirements. Fire insurance premium taxes and court fees are considered as part of employer contributions in the schedule shown above for the Firefighters and Judges Systems, respectively. These contribution rates also include rates for a 3% benefit enhancement that is funded by the State. 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 five years.

The actuary recommended some increases in contribution rates, which became effective July 1, 2010.

Information with regard to contributions to the Retirement Systems, for the year ended December 31, 2012, is indicated in the schedule on page 82.

Member contributions in the 401(k), 457, Roth and traditional IRAs, total \$260,873,000 that in combination with the member contributions made in the Retirement Systems total \$301,507,000.

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

| Contribution Requirements | | | Contributions Made | | | | | | | |
|-------------------------------------|----------------------------------|------------------------------------|----------------------------------|----------------------------------|--------|----------------------------------|----------|-------------|--------------------|------------------------|
| Unfunded Cost (assets in excess) | | Total Required Contributions | Total Actual Contributions | | Member | | Employer | | Covered Payroll | Percent Contributed |
| Amount | Percent of Covered Payroll | | Amount | Percent of Covered Payroll | Amount | Percent of Covered Payroll | | | | |
| \$175,515 | 4.62% | \$659,921 | \$659,921 | \$15,014 | 0.39% | \$644,907 | 16.70% | \$3,794,929 | 100% | |
| 6,589 | 6.39 | 18,667 | 18,667 | 6,962 | 6.72 | 11,705 | 11.29 | 103,074 | 100 | |
| 39,048 | 10.66 | 119,130 | 119,130 | 1,155 | 0.30 | 117,975 | 30.50 | 366,471 | 100 | |
| 3,137 | 2.84 | 34,824 | 34,824 | 17,503 | 15.39 | 17,321 | 15.23 | 110,608 | 100 | |
| 1,986 | 13.34 | 5,898 | 5,898 | — | 0.00 | 5,898 | 39.62 | 14,885 | 100 | |
| — | 0.00 | 214 | 214 | — | 0.00 | 214 | 23.52 | 910 | 100 | |
| — | 0.00 | 14,208 | 14,208 | — | 0.00 | 14,208 | 6.97 | 203,779 | 100 | |
| — | 0.00 | 1,031 | 1,031 | — | 0.00 | 1,031 | 10.07 | 10,237 | 100 | |
| \$226,275 | | \$853,893 | \$853,893 | \$40,634 | | \$813,259 | | \$4,604,893 | | |



Note 7 Funded Status

The funded status of the Retirement Systems as of January 1, 2012, the most recent actuarial valuation date is as shown below.

Actuarial valuations of the ongoing plan involve estimates of assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status and the annual required contributions are subject to continual revision as actual results are compared

with past expectations and new estimates are made about the future. The Schedules of Funding Progress present multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. These schedules are presented in the Required Supplementary Information section.

| System | Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry Age | (3) Unfunded AAL (UAAL) (2)-(1) | (4) Funded Ratios (1)/(2) | (5) Annual Covered Payroll | (6) UAAL as a % of Covered Payroll (3)/(5) |
|--|---------|--|--|---|------------------------------------|-------------------------------------|---|
| Noncontributory Retirement System | 1/01/12 | \$16,805,952 | 21,260,843 | 4,454,891 | 79.0% | \$3,900,106 | 114.2% |
| Contributory Retirement System | 1/01/12 | 1,135,251 | 1,269,042 | 133,791 | 89.5 | 110,103 | 121.5 |
| Public Safety Retirement System | 1/01/12 | 2,222,202 | 2,948,481 | 726,279 | 75.4 | 374,293 | 194.0 |
| Firefighters Retirement System | 1/01/12 | 810,764 | 903,399 | 92,635 | 89.7 | 110,751 | 83.6 |
| Judges Retirement System | 1/01/12 | 130,561 | 167,982 | 37,421 | 77.7 | 14,918 | 250.8 |
| Utah Governors and Legislators Retirement Plan | 1/01/12 | 9,565 | 12,029 | 2,464 | 79.5 | 910 | 270.8 |
| Tier 2 Public Employees System | 1/01/12 | 2,833 | 3,055 | 222 | 92.7 | 36,821 | 0.6 |
| Tier 2 Public Safety and Firefighters System | 1/01/12 | 90 | 101 | 11 | 89.1 | 855 | 1.3 |

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Summary of Actuarial Assumptions as of the latest actuarial valuation follows.

Summary of Actuarial Assumptions

| | Noncontributory | Contributory | Public Safety | Firefighters | Judges | Governors and Legislators | Tier 2 Public Employees | Tier 2 Public Safety and Firefighters |
|---|--|-------------------------------------|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|
| Valuation date | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 |
| Actuarial cost method | Entry Age | Entry Age | 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 | Level Dollar Amount | Level Dollar Amount |
| Amortization period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period |
| Actuarial asset valuation method (All Systems under same method.) | Based on the total fair value income of investments with the excess or shortfall of actual investment income over or under the expected investment return smoothed over five years. One-fifth of the excess or shortfall is recognized each year for five years. | | | | | | | |
| Actuarial assumptions: | | | | | | | | |
| Investment rate of return | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% |
| Projected salary increases | 3.75-10.75% | 3.75-10.75% | 3.75-9.25% | 3.75-9.75% | 3.75% | None | 3.75-10.75% | 3.75-9.25% |
| Inflation rate | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% |
| Post-retirement cost-of-living adjustment | 2.75% | 2.75% | 2.50% or 2.75% Depending on employer | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% |

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.

Note 8 Transfers To or From Affiliated Systems

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

Note 9 Supplemental Benefits

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

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

Note 10 Litigation

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

Note 11 Commitments

As of December 31, 2012, the Systems had committed to fund certain private equity partnerships, absolute return, and real estate projects for an amount of \$6,644,372,000. Funding of \$4,289,721,000 had been provided by December 31, 2012, leaving an unfunded commitment of \$2,354,651,000, as of December 31, 2012.



Note 12 Pension Plan Participation

Defined Benefit Plans

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

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102-2044 or by calling 1-800-365-8772.

Funding Policy: In the State and School Noncontributory Retirement System, the Utah Retirement Systems is required to contribute 18.76% of its annual covered salary. The contribution rates are the actuarial determined rates. The contributions were equal to the requirements of the Systems, are authorized by statute, and specified by the Board.

The Utah Retirement Systems' contributions to the State and School Noncontributory Retirement System for the years ending December 31, 2012, 2011, and 2010, were \$2,020,116, \$1,794,924, and \$1,659,298 respectively. The contributions were equal to the required contributions for each year.

Employees hired beginning July 1, 2011, are automatically enrolled in the Tier 2 Public Employees Retirement System. The Utah Retirement Systems' contributions to the Tier 2 Public Employees Retirement Systems for year ending December 31, 2012, were \$64,164. The contributions were equal to the required contributions for each year.

Defined Contribution Plans

Utah Retirement Systems also participates in four defined contribution plans, the 401(k), 457, Roth and traditional IRAs.



Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

401(k) Plan

The Utah Retirement Systems offers its employees a 401(k) Plan to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5% of covered salaries automatically made by Utah Retirement Systems. Employees participating in the Systems can make additional contributions through payroll deduction to the 401(k) Plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income during retirement. The employer 401(k) contributions for the years ended December 31, 2012, 2011, 2010, are \$415,285, \$401,088, and \$382,286 respectively; the employee contributions for the years ended December 31, 2012, 2011, 2010, are: \$453,406, \$437,623, and \$459,476 respectively. The 401(k) Plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by Utah Retirement Systems.

457 Plan

The Utah Retirement Systems also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 Plan for the years ended December 31, 2012, 2011, 2010, are: \$311,080, \$241,806, and \$251,940 respectively.

Roth and Traditional IRAs

Utah Retirement Systems offers its employees two tax-advantaged savings plans authorized by section 408 of the Internal Revenue Code. Employees are eligible to participate from the date of employment and are vested immediately upon participating. For the years ended 2012, 2011, and 2010, the Roth IRA employee contributions were \$96,366, \$89,118, and \$69,720 respectively. For the years ended 2012, 2011, and 2010, the traditional IRA employee contributions were \$4,150, \$1,080, and \$400 respectively.



Note 13
Post-
Employment
Healthcare
Plan

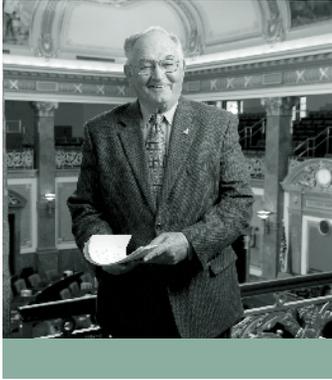
Plan Description

The Utah Retirement Office contributes to a noncontributory defined benefit post-employment healthcare plan to provide post-employment insurance benefits for retired employees of the Utah Retirement Office. This plan was established in 2005. The Utah Retirement Employees Post-Employment Healthcare Plan, (UREPEHP), is an agent multiple employer post-employment healthcare plan administered by The Utah Retirement Office.

Assets and liabilities of the plan are identified separately for each employer. Plan assets may be used only for the payment of benefits to the members of that system, in accordance with the terms of the plan. UREPEHP issues a publicly available financial report that includes financial statements and required supplementary information for UREPEHP. A copy of the report may be obtained by writing the Utah Retirement Office, 540 East 200 South, Salt Lake City, UT 84102-2044 or by calling 1-800-365-8772.

Notes to the Basic Financial Statements (Continued)

December 31, 2012



Funding Policy

The contribution requirements of Utah Retirement Employees Post-Employment Healthcare Plan are determined by the Plan and approved by the Board. Utah Retirement Office is required to contribute the annual required contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over an open 20-year period using the level dollar amount. The current dollar amount is \$285,000.

Annual Costs

For the calendar year ending December 31, 2012, the annual cost (expense) of \$285,000 for UREPEHP was equal to the ARC. The net Other Post-Employment Benefits (OPEB) obligation for 2012 was as shown at right:

| Year Ended | Annual Required Contributions | Percentage Contributed | Net OPEB Obligation |
|------------|-------------------------------|------------------------|---------------------|
| 12/31/05 | \$220,000 | 100% | \$0 |
| 12/31/06 | 294,000 | 100 | 0 |
| 12/31/07 | 387,000 | 100 | 0 |
| 12/31/08 | 219,000 | 100 | 0 |
| 12/31/09 | 220,000 | 100 | 0 |
| 12/31/10 | 313,000 | 100 | 0 |
| 12/31/11 | 285,000 | 100 | 0 |
| 12/31/12 | 285,000 | 100 | 0 |

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2011, the date of the most recent actuarial valuation, was as follows:

| | |
|--|-------------|
| Actuarial accrued liability (AAL) | \$7,382,000 |
| Actuarial value of plan assets | 4,811,000 |
| Unfunded actuarial accrued liability (UAAL) | \$2,571,000 |
| Funded ratio (actuarial value of plan assets/AAL) | 65% |
| Covered salaries and wages (active) (plan members) | \$8,366,000 |
| UAAL as a percentage of covered salaries and wages | 31% |

Actuarial valuations of the ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status and the annual required contributions are subject to continual revision as actual results are compared

Schedule of Funding Progress

(dollars in thousands)

Based on fair value of assets

| Division | Date* | (1) Actuarial Value of Assets | (2) 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) |
|---------------|----------|--|---|---|---------------------------------------|-------------------------------------|---|
| URS Employees | 12/31/06 | \$4,085 | 5,495 | 1,410 | 74.3% | \$8,463 | 16.7% |
| | 12/31/07 | 4,559 | 5,990 | 1,431 | 76.1 | 9,131 | 15.7 |
| | 12/31/08 | 4,206 | 7,008 | 2,802 | 60.0 | 8,673 | 32.3 |
| | 12/31/09 | 4,654 | 7,539 | 2,885 | 61.7 | 8,678 | 33.2 |
| | 12/31/10 | 4,811 | 7,382 | 2,571 | 65.2 | 8,366 | 30.7 |
| | 12/31/11 | 4,838 | 7,615 | 2,777 | 63.5 | 7,835 | 35.4 |
| | 12/31/12 | 4,886 | 7,838 | 2,952 | 62.3 | 7,538 | 39.2 |

Schedule of Required Contributions

January 1, 2012

(dollars in thousands)

| Year Ended* | Annual Required Contributions | Percentage Contributed | Net OPEB Obligation |
|-------------|-------------------------------|------------------------|---------------------|
| 12/31/06 | \$294 | 100% | \$0 |
| 12/31/07 | 387 | 100 | 0 |
| 12/31/08 | 219 | 100 | 0 |
| 12/31/09 | 220 | 100 | 0 |
| 12/31/10 | 313 | 100 | 0 |
| 12/31/11 | 285 | 100 | 0 |
| 12/31/12 | 285 | 100 | 0 |

*Additional years will be added as they become available.

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

with past expectations and new estimates are made about the future. The schedule of funding progress on page 77, presented as required supplementary information, shows the actuarial value of plan assets compared to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the January 1, 2012, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.0%, reduced by decrements to an ultimate rate of 5.0% after 10 years. Both rates include a 2.75% inflation assumption. The actuarial value of UREPEHP assets is based on smoothed expected income investment rate. Investment income in excess or shortfall of the expected rate 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 actuarial accrued liability was computed using likely health benefits to be paid to retirees and to be paid active employees after their service that were discounted using the investment return, health cost increase and various mortality assumptions.

Note 14 Compensated Absences, Post-Employment Benefits, and Insurance Reserve

The compensated absences liability for Utah Retirement Office employees as of December 31, 2012, was \$4,174,000. This represents the amount of unused leave to be paid to employees upon termination. As of December 31, 2012, the insurance reserve was \$4,995,000. The insurance reserve coverage is explained in Note 16, Risk Management.

Note 15 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 80 through 81. Other supplementary information presented in succeeding sections of this report is for the benefit of statement users and is not a required part of the basic financial statements.

Note 16 Risk Management

Most risks of loss to which the Systems, Plans, and Investment Fund are exposed, other than routine investment losses, are covered under commercial insurance policies. Risks in excess of coverage limits or large deductible, and otherwise uninsured losses, are retained by the Systems, Plans or Investment Fund through the insurance reserve. There have been no reductions of insurance coverage from coverages of the previous year in any of the categories of risk. Coverages are increased or decreased commensurate with real estate acquisitions or dispositions. During the past three calendar years, no loss settlements exceeded insurance coverages beyond immaterial deductible amounts. The insurance reserve was established by the Board from investment earnings as authorized by statute.

Notes to the Basic Financial Statements (Concluded)

December 31, 2012



Note 17 Real Estate Liabilities

The real estate liabilities consist of two credit facility (lines of credit) loans and four private placement notes. These loans and notes bear various interest rates and are scheduled to be repaid over the next five years. The rest of the liabilities are unsecured. As mentioned in Note 3, page 67, the Systems and Plans entered into various interest rate swap agreements that effectively changed credit facility liabilities from variable interest rates to fixed interest rates. As of December 31, 2012, there are \$545 million in credit facility debt, \$41 million in private placement notes.

Using interest rates as of December 31, 2012, principal and interest requirements of the debt and net swap payments for the terms of the debt and swaps are shown below.

Real Estate Liabilities

(in thousands)

| | Initial/Affected Balance | Maturity Date | Annual Payment |
|-----------------------------------|--------------------------|---------------|----------------|
| BNP Paribas Credit Facility* | \$425,000 | Monthly | \$85,000 |
| The Northern Trust | 120,000 | 8/1/2013 | Interest Only |
| Private Placement Notes: | | | |
| State Farm Life Insurance Co. | 13,800 | 7/1/2016 | 4,296 |
| State Farm Life & Acc. Assur. Co. | 354 | 7/1/2016 | 110 |
| Northwestern Mutual Life Ins. Co. | 20,000 | 7/1/2014 | Interest Only |
| Modern Woodmen of America | 7,000 | 7/1/2014 | Interest Only |
| Total | \$586,154 | | |

| Year Ending December 31, | Total Principal Payments | Total Interest Payments** | Total Swap Payments*** |
|--------------------------|--------------------------|---------------------------|------------------------|
| 2013 | \$208,478 | 2,206 | 25,924 |
| 2014 | 115,975 | 1,884 | 23,662 |
| 2015 | 89,172 | 1,686 | 19,591 |
| 2016 | 87,529 | 888 | 10,915 |
| 2017 | 85,000 | — | 5,645 |
| Thereafter | — | — | 5,115 |

*Line of credit will convert to a term loan with principal payable in five equal installments beginning March 2013.

**Interest calculated using December 31, 2012, One Month LIBOR for variable interest loans.

***Interest rate swaps listed on page 66; swap payments calculated using December 31, 2012, One Month LIBOR.



Utah Retirement Systems

Required Supplementary Information

Schedules of Funding Progress

(dollars in thousands)

| System | Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry Age | (3) Unfunded AAL (UAAL) (2)-(1) | (4) Funded Ratios (1)/(2) | (5) Annual Covered Payroll | (6) UAAL as a % of Covered Payroll (3)/(5) |
|--|----------|--|--|---|------------------------------------|-------------------------------------|---|
| Noncontributory Retirement System | 1/01/04 | \$11,657,525 | 12,351,310 | 693,785 | 94.4% | \$2,959,347 | 23.4% |
| | 1/01/05 | 12,212,437 | 13,235,444 | 1,023,007 | 92.3 | 3,084,317 | 33.2 |
| | 1/01/06 | 13,069,362 | 14,018,540 | 949,178 | 93.2 | 3,165,504 | 30.0 |
| | 1/01/07 | 14,446,928 | 15,084,061 | 637,133 | 95.8 | 3,326,392 | 19.2 |
| | 1/01/08 | 16,199,077 | 17,025,185 | 826,108 | 95.1 | 3,582,495 | 23.1 |
| | 1/01/09 | 15,839,461 | 18,306,590 | 2,467,129 | 86.5 | 3,871,636 | 63.7 |
| | 1/01/10 | 16,619,831 | 19,384,503 | 2,764,672 | 85.7 | 3,955,040 | 69.9 |
| | 1/01/11 | 16,852,691 | 20,388,759 | 3,536,068 | 82.7 | 3,888,179 | 90.9 |
| | 1/01/12 | 16,805,952 | 21,260,843 | 4,454,891 | 79.0 | 3,900,106 | 114.2 |
| | 12/31/12 | 17,007,940 | 22,361,197 | 5,353,257 | 76.1 | 3,794,929 | 141.1 |
| Contributory Retirement System | 1/01/04 | \$ 913,949 | 982,569 | 68,620 | 93.0% | \$ 139,470 | 49.2% |
| | 1/01/05 | 933,974 | 1,013,836 | 79,862 | 92.1 | 139,362 | 57.3 |
| | 1/01/06 | 951,540 | 1,027,309 | 75,769 | 92.6 | 137,730 | 55.0 |
| | 1/01/07 | 1,004,452 | 1,062,967 | 58,515 | 94.5 | 133,812 | 43.7 |
| | 1/01/08 | 1,102,107 | 1,170,251 | 68,144 | 94.2 | 132,899 | 51.3 |
| | 1/01/09 | 1,097,711 | 1,218,572 | 120,861 | 90.1 | 133,110 | 90.8 |
| | 1/01/10 | 1,116,736 | 1,236,009 | 119,273 | 90.4 | 127,804 | 93.3 |
| | 1/01/11 | 1,132,661 | 1,251,412 | 118,751 | 90.5 | 116,395 | 102.0 |
| | 1/01/12 | 1,135,251 | 1,269,042 | 133,791 | 89.5 | 110,103 | 121.5 |
| | 12/31/12 | 1,094,885 | 1,285,972 | 191,087 | 85.1 | 103,074 | 185.4 |
| Public Safety Retirement System | 1/01/04 | \$ 1,448,888 | 1,556,758 | 107,870 | 93.1% | \$ 278,402 | 38.7% |
| | 1/01/05 | 1,524,904 | 1,726,785 | 201,881 | 88.3 | 293,797 | 68.7 |
| | 1/01/06 | 1,633,022 | 1,834,452 | 201,430 | 89.0 | 298,756 | 67.4 |
| | 1/01/07 | 1,809,198 | 1,968,982 | 159,784 | 91.9 | 316,662 | 50.5 |
| | 1/01/08 | 2,038,613 | 2,247,826 | 209,213 | 90.7 | 339,187 | 61.7 |
| | 1/01/09 | 2,017,576 | 2,473,667 | 456,091 | 81.6 | 365,043 | 124.9 |
| | 1/01/10 | 2,137,027 | 2,650,675 | 513,648 | 80.6 | 373,959 | 137.4 |
| | 1/01/11 | 2,194,016 | 2,844,101 | 650,085 | 77.1 | 363,037 | 179.1 |
| | 1/01/12 | 2,222,202 | 2,948,481 | 726,279 | 75.4 | 374,293 | 194.0 |
| | 12/31/12 | 2,283,777 | 3,129,084 | 845,307 | 73.0 | 366,471 | 230.7 |

See accompanying notes to required supplementary information.

Utah Retirement Systems
Required Supplementary Information *(Continued)*

Schedules of Funding Progress *(Concluded)*

| System | Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry Age | (3) Unfunded (Overfunded) AAL (UAAL) (2)-(1) | (4) Funded Ratios (1)/(2) | (5) Annual Covered Payroll | (6) UAAL as a % of Covered Payroll (3)/(5) |
|---|----------|--|--|---|------------------------------------|-------------------------------------|---|
| Firefighters Retirement System | 1/01/04 | \$589,502 | 549,378 | (40,124) | 107.3 | \$ 75,619 | (53.1)% |
| | 1/01/05 | 610,688 | 578,891 | (31,797) | 105.5 | 79,638 | (39.9) |
| | 1/01/06 | 644,496 | 614,359 | (30,137) | 104.9 | 84,061 | (35.9) |
| | 1/01/07 | 705,051 | 643,765 | (61,286) | 109.5 | 88,682 | (69.1) |
| | 1/01/08 | 787,663 | 732,829 | (54,834) | 107.5 | 95,767 | (57.3) |
| | 1/01/09 | 765,871 | 776,622 | 10,751 | 98.6 | 102,252 | 10.5 |
| | 1/01/10 | 802,576 | 833,844 | 31,268 | 96.3 | 107,625 | 29.1 |
| | 1/01/11 | 810,216 | 872,133 | 61,917 | 92.9 | 105,275 | 58.8 |
| | 1/01/12 | 810,764 | 903,399 | 92,635 | 89.7 | 110,751 | 83.6 |
| | 12/31/12 | 824,060 | 955,668 | 131,608 | 86.2 | 110,608 | 119.0 |
| Judges Retirement System | 1/01/03 | \$ 97,412 | 97,902 | 490 | 99.5 | \$ 10,888 | 4.5% |
| | 1/01/05 | 100,814 | 104,210 | 3,396 | 96.7 | 11,646 | 29.2 |
| | 1/01/06 | 106,374 | 106,962 | 588 | 99.5 | 11,594 | 5.1 |
| | 1/01/07 | 116,879 | 117,127 | 248 | 99.8 | 12,195 | 2.0 |
| | 1/01/08 | 129,847 | 135,379 | 5,532 | 95.9 | 13,322 | 41.5 |
| | 1/01/09 | 126,120 | 145,965 | 19,845 | 86.4 | 14,404 | 137.8 |
| | 1/01/10 | 131,491 | 158,303 | 26,812 | 83.1 | 14,434 | 185.8 |
| | 1/01/11 | 131,869 | 167,581 | 35,712 | 78.7 | 14,234 | 250.9 |
| | 1/01/12 | 130,561 | 167,982 | 37,421 | 77.7 | 14,981 | 249.8 |
| | 12/31/12 | 131,217 | 175,817 | 44,600 | 74.6 | 14,885 | 299.6 |
| Utah Governors and Legislators Retirement Plan | 1/01/04 | \$ 10,905 | 8,812 | (2,093) | 123.8% | \$ 556 | (376.4)% |
| | 1/01/05 | 10,650 | 8,727 | (1,923) | 122.0 | 556 | (345.9) |
| | 1/01/06 | 10,587 | 8,974 | (1,613) | 118.0 | 887 | (181.8) |
| | 1/01/07 | 10,983 | 9,212 | (1,771) | 119.2 | 860 | (205.9) |
| | 1/01/08 | 11,736 | 9,862 | (1,874) | 119.0 | 947 | (197.9) |
| | 1/01/09 | 10,841 | 10,982 | 141 | 98.7 | 910 | 15.5 |
| | 1/01/10 | 10,769 | 11,305 | 536 | 95.3 | 910 | 58.9 |
| | 1/01/11 | 10,197 | 11,513 | 1,316 | 88.6 | 910 | 144.6 |
| | 1/01/12 | 9,565 | 12,029 | 2,464 | 79.5 | 910 | 270.8 |
| | 12/31/12 | 9,077 | 12,323 | 3,246 | 73.7 | 910 | 356.7 |
| Tier 2 Public Employees Retirement System* | 1/01/12 | \$ 2,833 | 3,055 | 222 | 92.7% | \$ 36,821 | 0.6% |
| | 12/31/12 | 17,818 | 17,890 | 72 | 99.6 | 203,779 | 0.0 |
| Tier 2 Public Safety and Firefighters Retirement System* | 1/01/12 | \$ 90 | 101 | 11 | 89.1% | \$ 855 | 1.3% |
| | 12/31/12 | 1,161 | 1,157 | (4) | 100.3 | 10,237 | 0.0 |

*New system additional years will be added as they become available.

See accompanying notes to required supplementary information.

Utah Retirement Systems

Required Supplementary Information (Concluded)

Schedules of Employer Contributions

(dollars in thousands)

| System | Employer Contributions | | | System | Employer Contributions | | | | |
|--|---------------------------------------|-------------------------------|------------------------|---|---|---|------------------------|----------|------|
| | Year Ended | Annual Required Contributions | Percentage Contributed | | Year Ended | Annual Required Contributions | Percentage Contributed | | |
| Noncontributory Retirement System | 2003 | \$314,511 | 100% | Judges Retirement System | 2003 | \$ 2,490 | 100% | | |
| | 2004 | 369,109 | 100 | | 2004 | 2,531 | 100 | | |
| | 2005 | 406,795 | 100 | | 2005 | 2,397 | 100 | | |
| | 2006 | 440,421 | 100 | | 2006 | 2,718 | 100 | | |
| | 2007 | 487,803 | 100 | | 2007 | 3,210 | 100 | | |
| | 2008 | 522,733 | 100 | | 2008 | 3,802 | 100 | | |
| | 2009 | 535,298 | 100 | | 2009 | 4,184 | 100 | | |
| | 2010 | 564,154 | 100 | | 2010 | 4,715 | 100 | | |
| | 2011 | 610,270 | 100 | | 2011 | 5,403 | 100 | | |
| | 2012 | 644,907 | 100 | | 2012 | 5,898 | 100 | | |
| | Contributory Retirement System | 2003 | \$ 7,297 | | 100% | Utah Governors and Legislators Retirement Plan | 2003 | \$ 0 | 100% |
| | | 2004 | 9,564 | | 100 | | 2004 | 0 | 100 |
| 2005 | | 10,357 | 100 | 2005 | 0 | | 100 | | |
| 2006 | | 10,737 | 100 | 2006 | 0 | | 100 | | |
| 2007 | | 11,208 | 100 | 2007 | 0 | | 100 | | |
| 2008 | | 11,037 | 100 | 2008 | 0 | | 100 | | |
| 2009 | | 10,865 | 100 | 2009 | 0 | | 100 | | |
| 2010 | | 11,851 | 100 | 2010 | 0 | | 100 | | |
| 2011 | | 11,125 | 100 | 2011 | 153 | | 100 | | |
| 2012 | | 11,705 | 100 | 2012 | 214 | | 100 | | |
| Public Safety Retirement System | | 2003 | \$ 46,655 | 100% | Tier 2 Public Employees Retirement System* | | | | |
| | | 2004 | 56,319 | 100 | | | 2011 | \$ 2,790 | 100% |
| | 2005 | 61,326 | 100 | 2012 | | 14,208 | 100 | | |
| | 2006 | 70,466 | 100 | | | | | | |
| | 2007 | 81,166 | 100 | Tier 2 Public Safety and Firefighters Retirement System* | | | | | |
| | 2008 | 93,899 | 100 | | 2011 | \$ 89 | 100% | | |
| | 2009 | 98,729 | 100 | | 2012 | 1,031 | 100 | | |
| | 2010 | 103,586 | 100 | | | | | | |
| | 2011 | 110,829 | 100 | | | | | | |
| | 2012 | 117,975 | 100 | | | | | | |
| | Firefighters Retirement System | 2003 | \$ 9,059 | | 100% | | | | |
| | | 2004 | 8,659 | | 100 | | | | |
| 2005 | | 9,601 | 100 | | | | | | |
| 2006 | | 9,518 | 100 | | | | | | |
| 2007 | | 13,797 | 100 | | | | | | |
| 2008 | | 10,219 | 100 | | | | | | |
| 2009 | | 16,159 | 100 | | | | | | |
| 2010 | | 10,915 | 100 | | | | | | |
| 2011 | | 13,005 | 100 | | | | | | |
| 2012 | | 17,321 | 100 | | | | | | |

*New system additional years will be added as they become available.

See accompanying notes to required supplementary information.

Utah Retirement Systems

Notes to Required Supplementary Information

December 31, 2012

Note 1 Schedules of Funding Progress

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 2012, and calendar year 2012 activity. The actuarial accrued liability is presented based on the report generated by that study conducted by Gabriel, Roeder, Smith & Company. The actuarial value of assets for that date is based on a smoothed expected investment income rate. Beginning with the 2011 actuarial study, the investment rate of return assumption was changed from 7.75% to 7.5%. Investment income in excess or shortfall of the expected 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 basic financial statements on page 70.

Note 2 Schedules of Employer Contributions

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

Note 3 Actuarial Assumptions

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

Additional Actuarial Information

| | Noncontributory | Contributory | Public Safety | Firefighters | Judges | Governors and Legislators | Tier 2 Public Employees | Tier 2 Public Safety and Firefighters |
|---|--|--|---|--|--|--|--|--|
| Valuation date | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 | 1/1/12 |
| Actuarial cost method | Entry Age | Entry Age | 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 | Level Percent of Payroll | Level Percent of Payroll |
| Amortization period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period | Open Group 22-Year Closed Period |
| Actuarial asset valuation method (All Systems under same method.) | Based on the total fair value income of investments with the excess or shortfall of actual investment income over or under the expected investment return smoothed over five years. One-fifth of the excess or shortfall is recognized each year for five years. | | | | | | | |
| Actuarial assumptions: | | | | | | | | |
| Investment rate of return | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% |
| Projected salary increases | 3.75-10.75% | 3.75-10.75% | 3.75-9.25% | 3.75-9.75% | 3.75% | None | 3.75-10.75% | 3.75-9.25% |
| Inflation rate | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% |
| Post-retirement cost-of-living adjustment | 2.75% | 2.75% | 2.50% or 2.75% Depending on employer | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% |

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.

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

| | Local Government | State and School | Total All Divisions | |
|---|---------------------|---------------------|---------------------|------------|
| | | | 2012 | 2011 |
| Assets: | | | | |
| Cash | \$ 1 | 2,866 | 2,867 | 76 |
| Receivables: | | | | |
| Employer contributions | 5,080 | 34,043 | 39,123 | 34,994 |
| Investments | 50,205 | 223,384 | 273,589 | 349,372 |
| Total receivables | 55,285 | 257,427 | 312,712 | 384,366 |
| Investments at fair value: | | | | |
| Short-term securities, domestic | 189,235 | 841,989 | 1,031,224 | 794,714 |
| Short-term securities, international | 5,960 | 26,518 | 32,478 | 17,875 |
| Debt securities, domestic | 444,105 | 1,976,018 | 2,420,123 | 2,506,141 |
| Debt securities, international | 153,554 | 683,231 | 836,785 | 706,195 |
| Equity investments, domestic | 525,312 | 2,337,345 | 2,862,657 | 3,654,792 |
| Equity investments, international | 682,767 | 3,037,933 | 3,720,700 | 2,194,033 |
| Absolute return | 507,380 | 2,257,558 | 2,764,938 | 2,625,059 |
| Private equity | 378,799 | 1,685,444 | 2,064,243 | 1,800,558 |
| Real assets | 451,905 | 2,010,725 | 2,462,630 | 2,304,953 |
| Mortgage loans | 1,000 | 4,449 | 5,449 | 5,468 |
| Total investments | 3,340,017 | 14,861,210 | 18,201,227 | 16,609,788 |
| Invested securities lending collateral | 232,219 | 1,033,246 | 1,265,465 | 1,383,847 |
| Property and equipment at cost, net of accumulated depreciation | 931 | 4,141 | 5,072 | 908 |
| Total assets | 3,628,453 | 16,158,890 | 19,787,343 | 18,378,985 |
| Liabilities: | | | | |
| Securities lending liability | 232,219 | 1,033,246 | 1,265,465 | 1,383,847 |
| Disbursements in excess of cash balance | 4,242 | 18,872 | 23,114 | 18,544 |
| Compensated absences, post-employment benefits and insurance reserve | 2,665 | 11,858 | 14,523 | 13,662 |
| Investment accounts payable | 70,729 | 317,599 | 388,328 | 419,385 |
| Real estate liabilities | 85,601 | 380,875 | 466,476 | 608,075 |
| Total liabilities | 395,456 | 1,762,450 | 2,157,906 | 2,443,513 |
| Net assets held in trust for pension benefits | \$3,232,997 | 14,396,440 | 17,629,437 | 15,935,472 |

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

| | Local Government | State and School | Total All Divisions | |
|--|---------------------|---------------------|---------------------|------------|
| | | | 2012 | 2011 |
| Additions: | | | | |
| Contributions: | | | | |
| Member | \$ 4,039 | 10,975 | 15,014 | 12,879 |
| Employer | 131,079 | 513,828 | 644,907 | 610,270 |
| Total contributions | 135,118 | 524,803 | 659,921 | 623,149 |
| Investment income: | | | | |
| Net appreciation in fair value of investments | 300,211 | 1,348,467 | 1,648,678 | 101,015 |
| Interest, dividends, and other investment income | 69,101 | 310,382 | 379,483 | 334,768 |
| Total income from investment activity | 369,312 | 1,658,849 | 2,028,161 | 435,783 |
| Less investment expenses | 5,959 | 26,766 | 32,725 | 37,501 |
| Net income from investment activity | 363,353 | 1,632,083 | 1,995,436 | 398,282 |
| Income from securities lending activity | 1,012 | 4,547 | 5,559 | 2,823 |
| Net investment income | 364,365 | 1,636,630 | 2,000,995 | 401,105 |
| Total additions | 499,483 | 2,161,433 | 2,660,916 | 1,024,254 |
| Deductions: | | | | |
| Retirement benefits | 115,894 | 637,261 | 753,155 | 709,359 |
| Cost-of-living benefits | 20,408 | 126,570 | 146,978 | 134,337 |
| Refunds | 909 | 1,949 | 2,858 | 2,514 |
| Administrative expenses | 1,492 | 6,905 | 8,397 | 7,304 |
| Transfers to affiliated systems | 9,195 | 46,368 | 55,563 | 37,473 |
| Total deductions | 147,898 | 819,053 | 966,951 | 890,987 |
| Increase from operations | 351,585 | 1,342,380 | 1,693,965 | 133,267 |
| Net assets held in trust for pension benefits beginning of year | 2,881,412 | 13,054,060 | 15,935,472 | 15,802,205 |
| Net assets held in trust for pension benefits end of year | \$3,232,997 | 14,396,440 | 17,629,437 | 15,935,472 |

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) Funded Ratios (1)/(2) | (5) Annual Covered Payroll | (6) UAAL as a % of Covered Payroll (3)/(5) |
|--|----------|--|--|---|------------------------------------|-------------------------------------|---|
| Noncontributory Local Government | 1/01/04 | \$ 1,916,701 | 1,985,092 | 68,391 | 96.6% | \$ 648,410 | 10.5% |
| | 1/01/05 | 2,027,791 | 2,123,427 | 95,636 | 95.5 | 680,620 | 14.1 |
| | 1/01/06 | 2,193,880 | 2,295,475 | 101,595 | 95.6 | 718,228 | 14.1 |
| | 1/01/07 | 2,455,870 | 2,456,038 | 168 | 100.0 | 758,583 | 0.0 |
| | 1/01/08 | 2,780,176 | 2,833,053 | 52,877 | 98.1 | 815,502 | 6.5 |
| | 1/01/09 | 2,743,924 | 3,070,328 | 326,404 | 89.4 | 883,207 | 37.0 |
| | 1/01/10 | 2,916,719 | 3,301,679 | 384,960 | 88.3 | 912,173 | 42.2 |
| | 1/01/11 | 2,993,654 | 3,575,367 | 581,713 | 83.7 | 878,009 | 66.3 |
| | 1/01/12 | 3,028,848 | 3,777,370 | 748,522 | 80.2 | 909,123 | 82.3 |
| | 12/31/12 | 3,120,761 | 4,025,368 | 904,607 | 77.5 | 888,428 | 101.8 |
| Noncontributory State and School | 1/01/04 | \$ 9,740,824 | 10,366,218 | 625,394 | 94.0% | \$2,310,937 | 27.1% |
| | 1/01/05 | 10,184,646 | 11,112,017 | 927,371 | 91.7 | 2,403,697 | 38.6 |
| | 1/01/06 | 10,875,482 | 11,723,065 | 847,580 | 92.8 | 2,447,276 | 34.6 |
| | 1/01/07 | 11,991,058 | 12,628,023 | 636,965 | 95.0 | 2,567,809 | 24.8 |
| | 1/01/08 | 13,418,901 | 14,192,132 | 773,231 | 94.6 | 2,766,993 | 27.9 |
| | 1/01/09 | 13,095,537 | 15,236,262 | 2,140,725 | 85.9 | 2,988,429 | 71.6 |
| | 1/01/10 | 13,703,112 | 16,082,824 | 2,379,712 | 85.2 | 3,042,867 | 78.2 |
| | 1/01/11 | 13,859,037 | 16,813,392 | 2,954,355 | 82.4 | 3,010,170 | 98.1 |
| | 1/01/12 | 13,777,104 | 17,483,473 | 3,706,369 | 78.8 | 2,990,983 | 123.9 |
| | 12/31/12 | 13,887,179 | 18,335,829 | 4,448,650 | 75.7 | 2,906,501 | 153.1 |
| Total Noncontributory Retirement System | 1/01/04 | \$11,657,525 | 12,351,310 | 693,785 | 94.4% | \$2,959,347 | 23.4% |
| | 1/01/05 | 12,212,437 | 13,235,444 | 1,023,007 | 92.3 | 3,084,317 | 33.2 |
| | 1/01/06 | 13,069,362 | 14,018,540 | 949,178 | 93.2 | 3,165,504 | 30.0 |
| | 1/01/07 | 14,446,928 | 15,084,061 | 637,133 | 95.8 | 3,326,392 | 19.2 |
| | 1/01/08 | 16,199,077 | 17,025,185 | 826,108 | 95.1 | 3,582,495 | 23.1 |
| | 1/01/09 | 15,839,461 | 18,306,590 | 2,467,129 | 86.5 | 3,871,636 | 63.7 |
| | 1/01/10 | 16,619,831 | 19,384,503 | 2,764,672 | 85.7 | 3,955,040 | 69.9 |
| | 1/01/11 | 16,852,691 | 20,388,759 | 3,536,068 | 82.7 | 3,888,179 | 90.9 |
| | 1/01/12 | 16,805,952 | 21,260,843 | 4,454,891 | 79.0 | 3,900,106 | 114.2 |
| | 12/31/12 | 17,007,940 | 22,361,197 | 5,353,257 | 76.1 | 3,794,929 | 141.1 |

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

| Division | Year Ended | Employer Contributions | |
|--|------------|-------------------------------|------------------------|
| | | Annual Required Contributions | Percentage Contributed |
| Noncontributory Local Government | 2003 | \$ 60,097 | 100% |
| | 2004 | 70,010 | 100 |
| | 2005 | 79,179 | 100 |
| | 2006 | 85,715 | 100 |
| | 2007 | 94,482 | 100 |
| | 2008 | 100,843 | 100 |
| | 2009 | 104,494 | 100 |
| | 2010 | 111,654 | 100 |
| | 2011 | 120,241 | 100 |
| | 2012 | 131,079 | 100 |
| Noncontributory State and School | 2003 | \$254,414 | 100% |
| | 2004 | 299,099 | 100 |
| | 2005 | 327,616 | 100 |
| | 2006 | 354,706 | 100 |
| | 2007 | 393,321 | 100 |
| | 2008 | 421,890 | 100 |
| | 2009 | 430,804 | 100 |
| | 2010 | 452,500 | 100 |
| | 2011 | 490,029 | 100 |
| | 2012 | 513,828 | 100 |
| Total Noncontributory Retirement System | 2003 | \$314,511 | 100% |
| | 2004 | 369,109 | 100 |
| | 2005 | 406,795 | 100 |
| | 2006 | 440,421 | 100 |
| | 2007 | 487,803 | 100 |
| | 2008 | 522,733 | 100 |
| | 2009 | 535,298 | 100 |
| | 2010 | 564,154 | 100 |
| | 2011 | 610,270 | 100 |
| | 2012 | 644,907 | 100 |

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

| | Local Government | State and School | Total All Divisions | |
|---|---------------------|---------------------|---------------------|-----------|
| | | | 2012 | 2011 |
| Assets: | | | | |
| Cash | \$ 1 | 1 | 2 | 2 |
| Receivables: | | | | |
| Member contributions | 130 | 151 | 281 | 301 |
| Employer contributions | 261 | 360 | 621 | 563 |
| Investments | 6,123 | 11,542 | 17,665 | 22,240 |
| Total receivables | 6,514 | 12,053 | 18,567 | 23,104 |
| Investments at fair value: | | | | |
| Short-term securities, domestic | 23,080 | 43,503 | 66,583 | 50,589 |
| Short-term securities, international | 727 | 1,370 | 2,097 | 1,137 |
| Debt securities, domestic | 54,165 | 102,094 | 156,259 | 159,534 |
| Debt securities, international | 18,728 | 35,300 | 54,028 | 44,955 |
| Equity investments, domestic | 64,069 | 120,763 | 184,832 | 232,655 |
| Equity investments, international | 83,273 | 156,960 | 240,233 | 139,666 |
| Absolute return | 61,882 | 116,640 | 178,522 | 167,104 |
| Private equity | 46,200 | 87,081 | 133,281 | 114,619 |
| Real assets | 55,116 | 103,887 | 159,003 | 146,727 |
| Mortgage loans | 122 | 230 | 352 | 348 |
| Total investments | 407,362 | 767,828 | 1,175,190 | 1,057,334 |
| Invested securities lending collateral | 28,322 | 53,384 | 81,706 | 88,092 |
| Property and equipment at cost, net of accumulated depreciation | 113 | 214 | 327 | 58 |
| Total assets | 442,312 | 833,480 | 1,275,792 | 1,168,590 |
| Liabilities: | | | | |
| Securities lending collateral liability | 28,322 | 53,384 | 81,706 | 88,092 |
| Disbursements in excess of cash balance | 517 | 975 | 1,492 | 1,180 |
| Compensated absences, post-employment benefits and insurance reserve | 325 | 613 | 938 | 870 |
| Investment accounts payable | 8,626 | 16,260 | 24,886 | 26,690 |
| Real estate liabilities | 10,440 | 19,679 | 30,119 | 38,708 |
| Total liabilities | 48,230 | 90,911 | 139,141 | 155,540 |
| Net assets held in trust for pension benefits | \$394,082 | 742,569 | 1,136,651 | 1,013,050 |

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

| | Local Government | State and School | Total All Divisions | |
|--|---------------------|---------------------|---------------------|-----------|
| | | | 2012 | 2011 |
| Additions: | | | | |
| Contributions: | | | | |
| Member | \$ 3,755 | 3,207 | 6,962 | 7,300 |
| Employer | 6,224 | 5,481 | 11,705 | 11,125 |
| Total contributions | 9,979 | 8,688 | 18,667 | 18,425 |
| Investment income: | | | | |
| Net appreciation in fair value of investments | 37,131 | 70,943 | 108,074 | 6,550 |
| Interest, dividends, and other investment income | 8,547 | 16,329 | 24,876 | 21,707 |
| Total income from investment activity | 45,678 | 87,272 | 132,950 | 28,257 |
| Less investment expenses | 737 | 1,408 | 2,145 | 2,431 |
| Net income from investment activity | 44,941 | 85,864 | 130,805 | 25,826 |
| Income from securities lending activity | 125 | 239 | 364 | 183 |
| Net investment income | 45,066 | 86,103 | 131,169 | 26,009 |
| Transfers from affiliated systems | 10,891 | 36,207 | 47,098 | 32,064 |
| Total additions | 65,936 | 130,998 | 196,934 | 76,498 |
| Deductions: | | | | |
| Retirement benefits | 16,667 | 39,217 | 55,884 | 52,933 |
| Cost-of-living benefits | 3,486 | 11,260 | 14,746 | 15,160 |
| Supplemental retirement benefits | 37 | 188 | 225 | 282 |
| Refunds | 931 | 1,044 | 1,975 | 1,872 |
| Administrative expenses | 179 | 324 | 503 | 449 |
| Total deductions | 21,300 | 52,033 | 73,333 | 70,696 |
| Increase from operations | 44,636 | 78,965 | 123,601 | 5,802 |
| Net assets held in trust for pension benefits beginning of year | 349,446 | 663,604 | 1,013,050 | 1,007,248 |
| Net assets held in trust for pension benefits end of year | \$394,082 | 742,569 | 1,136,651 | 1,013,050 |

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) Funded Ratios (1)/(2) | (5) Annual Covered Payroll | (6) UAAL as a % of Covered Payroll (3)/(5) |
|---|----------|--|--|---|------------------------------------|-------------------------------------|---|
| Contributory Local Government | 1/01/04 | \$ 263,839 | 289,001 | 25,162 | 91.3% | \$ 57,965 | 43.4% |
| | 1/01/05 | 280,286 | 307,221 | 26,935 | 91.2 | 58,482 | 46.1 |
| | 1/01/06 | 295,061 | 322,986 | 27,925 | 91.4 | 60,616 | 46.1 |
| | 1/01/07 | 319,072 | 338,625 | 19,553 | 94.2 | 61,441 | 31.8 |
| | 1/01/08 | 356,014 | 381,287 | 25,273 | 93.4 | 62,793 | 40.2 |
| | 1/01/09 | 358,620 | 404,913 | 46,293 | 88.6 | 64,758 | 71.5 |
| | 1/01/10 | 367,967 | 415,810 | 47,843 | 88.5 | 64,060 | 74.7 |
| | 1/01/11 | 379,160 | 434,288 | 55,128 | 87.3 | 59,715 | 92.3 |
| | 1/01/12 | 384,037 | 447,793 | 63,756 | 85.8 | 58,842 | 108.4 |
| | 12/31/12 | 379,966 | 461,140 | 81,174 | 82.4 | 56,870 | 142.7 |
| Contributory State and School | 1/01/04 | \$ 650,110 | 693,568 | 43,458 | 93.7% | \$ 81,505 | 53.3% |
| | 1/01/05 | 653,688 | 706,615 | 52,927 | 92.5 | 80,880 | 65.4 |
| | 1/01/06 | 656,479 | 704,323 | 47,844 | 93.2 | 77,114 | 62.0 |
| | 1/01/07 | 685,380 | 724,342 | 38,962 | 94.6 | 72,371 | 53.8 |
| | 1/01/08 | 746,093 | 788,964 | 42,871 | 94.6 | 70,106 | 61.2 |
| | 1/01/09 | 739,091 | 813,659 | 74,568 | 90.8 | 68,352 | 109.1 |
| | 1/01/10 | 748,769 | 820,199 | 71,430 | 91.3 | 63,744 | 112.1 |
| | 1/01/11 | 753,501 | 817,124 | 63,623 | 92.2 | 56,680 | 112.2 |
| | 1/01/12 | 751,214 | 821,249 | 70,035 | 91.5 | 51,261 | 136.6 |
| | 12/31/12 | 714,919 | 824,832 | 109,913 | 86.7 | 46,204 | 237.9 |
| Total Contributory Retirement System | 1/01/04 | \$ 913,949 | 982,569 | 68,620 | 93.0% | \$ 139,470 | 49.2% |
| | 1/01/05 | 933,974 | 1,013,836 | 79,862 | 92.1 | 139,362 | 57.3 |
| | 1/01/06 | 951,540 | 1,027,309 | 75,769 | 92.6 | 137,730 | 55.0 |
| | 1/01/07 | 1,004,452 | 1,062,967 | 58,515 | 94.5 | 133,812 | 43.7 |
| | 1/01/08 | 1,102,107 | 1,170,251 | 68,144 | 94.2 | 132,899 | 51.3 |
| | 1/01/09 | 1,097,711 | 1,218,572 | 120,861 | 90.1 | 133,110 | 90.8 |
| | 1/01/10 | 1,116,736 | 1,236,009 | 119,273 | 90.4 | 127,804 | 93.3 |
| | 1/01/11 | 1,132,661 | 1,251,412 | 118,751 | 90.5 | 116,395 | 102.0 |
| | 1/01/12 | 1,135,251 | 1,269,042 | 133,791 | 89.5 | 110,103 | 121.5 |
| | 12/31/12 | 1,094,885 | 1,285,972 | 191,087 | 85.1 | 103,074 | 185.4 |

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

| Division | Year Ended | Employer Contributions | |
|---------------------|------------|-------------------------------|------------------------|
| | | Annual Required Contributions | Percentage Contributed |
| Contributory | 2003 | \$ 2,881 | 100% |
| Local | 2004 | 3,822 | 100 |
| Government | 2005 | 4,238 | 100 |
| | 2006 | 4,509 | 100 |
| | 2007 | 4,889 | 100 |
| | 2008 | 4,912 | 100 |
| | 2009 | 4,870 | 100 |
| | 2010 | 5,070 | 100 |
| | 2011 | 5,522 | 100 |
| | 2012 | 6,224 | 100 |
| Contributory | 2003 | \$ 4,416 | 100% |
| State and | 2004 | 5,742 | 100 |
| School | 2005 | 6,119 | 100 |
| | 2006 | 6,228 | 100 |
| | 2007 | 6,319 | 100 |
| | 2008 | 6,125 | 100 |
| | 2009 | 5,995 | 100 |
| | 2010 | 6,781 | 100 |
| | 2011 | 5,603 | 100 |
| | 2012 | 5,481 | 100 |
| Total | 2003 | \$ 7,297 | 100% |
| Contributory | 2004 | 9,564 | 100 |
| Retirement | 2005 | 10,357 | 100 |
| System | 2006 | 10,737 | 100 |
| | 2007 | 11,208 | 100 |
| | 2008 | 11,037 | 100 |
| | 2009 | 10,865 | 100 |
| | 2010 | 11,851 | 100 |
| | 2011 | 11,125 | 100 |
| | 2012 | 11,705 | 100 |

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

| | State of Utah Public Safety | Other Division A (with Social Security) | Salt Lake City |
|---|--------------------------------|--|----------------|
| Assets: | | | |
| Cash | \$ 2 | 4 | 2 |
| Receivables: | | | |
| Member contributions | 1 | 31 | — |
| Employer contributions | 1,635 | 1,400 | 442 |
| Investments | 12,797 | 15,338 | 3,096 |
| Total receivables | 14,433 | 16,769 | 3,538 |
| Investments at fair value: | | | |
| Short-term securities, domestic | 48,233 | 57,811 | 11,670 |
| Short-term securities, international | 1,519 | 1,821 | 368 |
| Debt securities, domestic | 113,196 | 135,674 | 27,388 |
| Debt securities, international | 39,139 | 46,911 | 9,470 |
| Equity investments, domestic | 133,895 | 160,482 | 32,396 |
| Equity investments, international | 174,028 | 208,585 | 42,106 |
| Absolute return | 129,324 | 155,004 | 31,290 |
| Private equity | 96,551 | 115,723 | 23,360 |
| Real assets | 115,184 | 138,057 | 27,869 |
| Mortgage loans | 255 | 305 | 62 |
| Total investments | 851,324 | 1,020,373 | 205,979 |
| Invested securities lending collateral | 59,189 | 70,943 | 14,321 |
| Property and equipment at cost, net of accumulated depreciation | 237 | 284 | 57 |
| Total assets | 925,185 | 1,108,373 | 223,897 |
| Liabilities: | | | |
| Securities lending liability | 59,189 | 70,943 | 14,321 |
| Disbursements in excess of cash balance | 1,081 | 1,296 | 262 |
| Compensated absences, post-employment benefits and insurance reserve | 679 | 814 | 164 |
| Investment accounts payable | 18,028 | 21,607 | 4,362 |
| Real estate liabilities | 21,818 | 26,151 | 5,279 |
| Total liabilities | 100,795 | 120,811 | 24,388 |
| Net assets held in trust for pension benefits | \$824,390 | 987,562 | 199,509 |

Utah Retirement Systems

| Ogden | Provo | Logan | Bountiful | Other Division B (without Social Security) | Total All Divisions | |
|--------|--------|--------|-----------|---|---------------------|-----------|
| | | | | | 2012 | 2011 |
| 2 | 2 | 2 | 2 | 4 | 20 | 20 |
| — | — | 2 | — | — | 34 | 37 |
| — | — | 35 | 76 | 662 | 4,250 | 4,030 |
| 738 | 549 | 320 | 242 | 3,654 | 36,734 | 46,134 |
| 738 | 549 | 357 | 318 | 4,316 | 41,018 | 50,201 |
| 2,782 | 2,069 | 1,208 | 912 | 13,771 | 138,456 | 104,943 |
| 88 | 65 | 38 | 29 | 434 | 4,362 | 2,360 |
| 6,530 | 4,855 | 2,834 | 2,139 | 32,319 | 324,935 | 330,936 |
| 2,258 | 1,679 | 980 | 740 | 11,175 | 112,352 | 93,252 |
| 7,724 | 5,742 | 3,352 | 2,530 | 38,229 | 384,350 | 482,617 |
| 10,039 | 7,464 | 4,357 | 3,289 | 49,688 | 499,556 | 289,722 |
| 7,460 | 5,546 | 3,238 | 2,444 | 36,924 | 371,230 | 346,641 |
| 5,570 | 4,141 | 2,417 | 1,825 | 27,567 | 277,154 | 237,765 |
| 6,645 | 4,940 | 2,884 | 2,177 | 32,887 | 330,643 | 304,370 |
| 15 | 11 | 6 | 5 | 73 | 732 | 721 |
| 49,111 | 36,512 | 21,314 | 16,090 | 243,067 | 2,443,770 | 2,193,327 |
| 3,414 | 2,538 | 1,482 | 1,119 | 16,900 | 169,906 | 182,738 |
| 14 | 10 | 6 | 4 | 68 | 680 | 119 |
| 53,279 | 39,611 | 23,161 | 17,533 | 264,355 | 2,655,394 | 2,426,405 |
| 3,414 | 2,538 | 1,482 | 1,119 | 16,900 | 169,906 | 182,738 |
| 62 | 46 | 27 | 20 | 309 | 3,103 | 2,449 |
| 39 | 29 | 17 | 13 | 194 | 1,949 | 1,804 |
| 1,040 | 773 | 451 | 341 | 5,147 | 51,749 | 55,367 |
| 1,259 | 936 | 546 | 412 | 6,229 | 62,630 | 80,296 |
| 5,814 | 4,322 | 2,523 | 1,905 | 28,779 | 289,337 | 322,654 |
| 47,465 | 35,289 | 20,638 | 15,628 | 235,576 | 2,366,057 | 2,103,751 |

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

| | State of Utah Public Safety | Other Division A (with Social Security) | Salt Lake City |
|---|--------------------------------|--|----------------|
| Additions: | | | |
| Contributions: | | | |
| Member | \$ 108 | 823 | — |
| Employer | 40,224 | 43,380 | 11,023 |
| Total contributions | 40,332 | 44,203 | 11,023 |
| Investment income: | | | |
| Net appreciation in fair value of investments | 76,814 | 91,912 | 18,663 |
| Interest, dividends, and other investment income | 17,681 | 21,156 | 4,296 |
| Total income from investment activity | 94,495 | 113,068 | 22,959 |
| Less investment expenses | 1,525 | 1,824 | 370 |
| Net income from investment activity | 92,970 | 111,244 | 22,589 |
| Income from securities lending activity | 259 | 310 | 63 |
| Net investment income | 93,229 | 111,554 | 22,652 |
| Transfers from (to) affiliated systems | 2,629 | (1,474) | 300 |
| Total additions | 136,190 | 154,283 | 33,975 |
| Deductions: | | | |
| Retirement benefits | 40,422 | 38,862 | 11,441 |
| Cost-of-living benefits | 8,793 | 7,660 | 3,231 |
| Supplemental retirement benefits | 209 | 104 | 49 |
| Refunds | 11 | 228 | — |
| Administrative expenses | 414 | 462 | 113 |
| Total deductions | 49,849 | 47,316 | 14,834 |
| Increase (decrease) from operations | 86,341 | 106,967 | 19,141 |
| Net assets held in trust for pension benefits beginning of year | 738,049 | 880,595 | 180,368 |
| Net assets held in trust for pension benefits end of year | \$824,390 | 987,562 | 199,509 |

Utah Retirement Systems

| Ogden | Provo | Logan | Bountiful | Other Division B (without Social Security) | Total All Divisions | |
|--------|--------|--------|-----------|---|---------------------|-----------|
| | | | | | 2012 | 2011 |
| — | 83 | 52 | — | 89 | 1,155 | 1,070 |
| 2,285 | 1,868 | 865 | 597 | 17,733 | 117,975 | 110,829 |
| 2,285 | 1,951 | 917 | 597 | 17,822 | 119,130 | 111,899 |
| 4,468 | 3,290 | 1,927 | 1,489 | 21,221 | 219,784 | 13,260 |
| 1,028 | 757 | 444 | 343 | 4,885 | 50,590 | 43,947 |
| 5,496 | 4,047 | 2,371 | 1,832 | 26,106 | 270,374 | 57,207 |
| 89 | 65 | 38 | 30 | 421 | 4,362 | 4,923 |
| 5,407 | 3,982 | 2,333 | 1,802 | 25,685 | 266,012 | 52,284 |
| 15 | 11 | 6 | 5 | 72 | 741 | 371 |
| 5,422 | 3,993 | 2,339 | 1,807 | 25,757 | 266,753 | 52,655 |
| 181 | 66 | 49 | (115) | 4,775 | 6,411 | 3,303 |
| 7,888 | 6,010 | 3,305 | 2,289 | 48,354 | 392,294 | 167,857 |
| 2,992 | 1,816 | 1,007 | 1,110 | 8,130 | 105,780 | 99,685 |
| 775 | 450 | 200 | 165 | 1,098 | 22,372 | 20,482 |
| 10 | 7 | — | 1 | — | 380 | 403 |
| — | 18 | 13 | — | 22 | 292 | 536 |
| 26 | 18 | 11 | 8 | 112 | 1,164 | 1,019 |
| 3,803 | 2,309 | 1,231 | 1,284 | 9,362 | 129,988 | 122,125 |
| 4,085 | 3,701 | 2,074 | 1,005 | 38,992 | 262,306 | 45,732 |
| 43,380 | 31,588 | 18,564 | 14,623 | 196,584 | 2,103,751 | 2,058,019 |
| 47,465 | 35,289 | 20,638 | 15,628 | 235,576 | 2,366,057 | 2,103,751 |

Public Safety Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

| Division | Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry Age | (3) Unfunded AAL (UAAL) (2)-(1) | (4) Funded Ratios (1)/(2) | (5) Annual Covered Payroll | (6) UAAL as a % of Covered Payroll (3)/(5) | |
|---|--|--|--|---|------------------------------------|-------------------------------------|---|--------|
| Public Safety State of Utah | 1/01/04 | \$526,545 | 565,809 | 39,264 | 93.1 | \$ 91,540 | 42.9% | |
| | 1/01/05 | 554,342 | 630,095 | 75,753 | 88.0 | 97,654 | 77.6 | |
| | 1/01/06 | 592,472 | 656,157 | 63,685 | 90.3 | 94,611 | 67.3 | |
| | 1/01/07 | 652,239 | 706,589 | 54,350 | 92.3 | 100,368 | 54.2 | |
| | 1/01/08 | 730,102 | 800,385 | 70,283 | 91.2 | 108,127 | 65.0 | |
| | 1/01/09 | 720,114 | 899,970 | 179,856 | 80.0 | 118,659 | 151.6 | |
| | 1/01/10 | 759,547 | 962,230 | 202,683 | 78.9 | 120,792 | 167.8 | |
| | 1/01/11 | 775,493 | 1,009,364 | 233,871 | 76.8 | 114,446 | 204.4 | |
| | 1/01/12 | 780,239 | 1,048,847 | 268,608 | 74.4 | 116,871 | 229.8 | |
| | 12/31/12 | 795,512 | 1,111,992 | 316,480 | 71.5 | 115,351 | 274.4 | |
| | Public Safety Other Division A (with Social Security) | 1/01/04 | \$594,020 | 603,281 | 9,261 | 98.5 | \$125,617 | 7.4% |
| | | 1/01/05 | 625,506 | 669,261 | 43,755 | 93.5 | 132,238 | 33.1 |
| | | 1/01/06 | 668,555 | 718,533 | 49,978 | 93.0 | 136,367 | 36.6 |
| 1/01/07 | | 743,225 | 772,956 | 29,731 | 96.2 | 145,274 | 20.5 | |
| 1/01/08 | | 841,852 | 888,872 | 47,020 | 94.7 | 155,991 | 30.1 | |
| 1/01/09 | | 836,463 | 972,792 | 136,329 | 86.0 | 165,099 | 82.6 | |
| 1/01/10 | | 888,555 | 1,051,299 | 162,744 | 84.5 | 169,320 | 96.1 | |
| 1/01/11 | | 916,465 | 1,146,176 | 229,711 | 80.0 | 166,821 | 137.7 | |
| 1/01/12 | | 929,828 | 1,169,038 | 239,210 | 79.5 | 164,129 | 145.7 | |
| 12/31/12 | | 953,408 | 1,238,082 | 284,674 | 77.0 | 149,741 | 190.1 | |
| Public Safety Salt Lake City | | 1/01/04 | \$138,148 | 176,136 | 37,988 | 78.4% | \$ 20,380 | 186.4% |
| | | 1/01/05 | 142,134 | 187,740 | 45,606 | 75.7 | 20,672 | 220.6 |
| | | 1/01/06 | 150,347 | 200,080 | 49,733 | 75.1 | 22,778 | 218.3 |
| | 1/01/07 | 165,100 | 206,821 | 41,721 | 79.8 | 24,330 | 171.5 | |
| | 1/01/08 | 184,578 | 234,139 | 49,561 | 78.8 | 26,114 | 189.8 | |
| | 1/01/09 | 180,841 | 245,433 | 64,592 | 73.7 | 27,413 | 235.6 | |
| | 1/01/10 | 188,761 | 257,965 | 69,204 | 73.2 | 27,781 | 249.1 | |
| | 1/01/11 | 191,116 | 275,419 | 84,303 | 69.4 | 27,865 | 302.5 | |
| | 1/01/12 | 190,934 | 285,613 | 94,679 | 66.9 | 28,730 | 329.5 | |
| | 12/31/12 | 192,462 | 298,415 | 105,953 | 64.5 | 27,861 | 380.3 | |
| | Public Safety Ogden | 1/01/04 | \$ 40,214 | 44,245 | 4,031 | 90.9% | \$ 5,120 | 78.7% |
| | | 1/01/05 | 40,288 | 47,666 | 7,378 | 84.5 | 5,167 | 142.8 |
| | | 1/01/06 | 41,541 | 49,440 | 7,899 | 84.0 | 4,842 | 163.1 |
| 1/01/07 | | 44,077 | 51,735 | 7,658 | 85.2 | 5,130 | 149.3 | |
| 1/01/08 | | 48,429 | 57,590 | 9,161 | 84.1 | 5,118 | 179.0 | |
| 1/01/09 | | 46,009 | 58,480 | 12,471 | 78.7 | 5,602 | 222.6 | |
| 1/01/10 | | 47,334 | 60,463 | 13,129 | 78.3 | 5,407 | 242.8 | |
| 1/01/11 | | 46,853 | 64,076 | 17,223 | 73.1 | 5,537 | 311.1 | |
| 1/01/12 | | 46,088 | 66,535 | 20,447 | 69.3 | 5,877 | 347.9 | |
| 12/31/12 | | 45,734 | 69,020 | 23,286 | 66.3 | 5,776 | 403.2 | |
| Public Safety Provo | | 1/01/04 | \$ 24,546 | 28,009 | 3,463 | 87.6 | \$ 4,482 | 77.3% |
| | | 1/01/05 | 25,302 | 30,072 | 4,770 | 84.1 | 4,402 | 108.4 |
| | | 1/01/06 | 26,857 | 32,359 | 5,502 | 83.0 | 4,626 | 118.9 |
| | 1/01/07 | 29,473 | 33,773 | 4,300 | 87.3 | 4,504 | 95.5 | |
| | 1/01/08 | 32,601 | 38,373 | 5,772 | 85.0 | 4,864 | 118.7 | |
| | 1/01/09 | 31,740 | 41,170 | 9,430 | 77.1 | 5,006 | 188.4 | |
| | 1/01/10 | 33,227 | 42,432 | 9,205 | 78.3 | 5,105 | 180.3 | |
| | 1/01/11 | 33,504 | 45,709 | 12,205 | 73.3 | 4,892 | 249.5 | |
| | 1/01/12 | 33,448 | 46,830 | 13,382 | 71.4 | 5,056 | 264.7 | |
| | 12/31/12 | 34,039 | 49,067 | 15,028 | 69.4 | 5,219 | 287.9 | |

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

(dollars in thousands)

| Division | Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry Age | (3) Unfunded AAL (UAAL) (2)-(1) | (4) Funded Ratios (1)/(2) | (5) Annual Covered Payroll | (6) UAAL as a % of Covered Payroll (3)/(5) |
|---|----------|--|--|---|------------------------------------|-------------------------------------|---|
| Public Safety Logan | 1/01/04 | \$ 13,826 | 14,599 | 773 | 94.7% | \$ 2,372 | 32.6% |
| | 1/01/05 | 14,510 | 16,234 | 1,724 | 89.4 | 2,467 | 69.9 |
| | 1/01/06 | 15,432 | 16,885 | 1,453 | 91.4 | 2,308 | 63.0 |
| | 1/01/07 | 16,938 | 18,012 | 1,074 | 94.0 | 2,434 | 44.1 |
| | 1/01/08 | 18,949 | 21,667 | 2,718 | 87.5 | 2,626 | 103.5 |
| | 1/01/09 | 18,426 | 22,792 | 4,366 | 80.8 | 2,482 | 175.9 |
| | 1/01/10 | 19,334 | 24,095 | 4,761 | 80.2 | 2,890 | 164.7 |
| | 1/01/11 | 19,635 | 26,230 | 6,595 | 74.9 | 2,710 | 243.4 |
| | 1/01/12 | 19,651 | 26,726 | 7,075 | 73.5 | 2,699 | 262.1 |
| | 12/31/12 | 19,911 | 27,985 | 8,074 | 71.1 | 2,595 | 311.1 |
| Public Safety Bountiful | 1/01/04 | \$ 11,809 | 11,640 | (169) | 101.5% | \$ 11,653 | (10.2%) |
| | 1/01/05 | 12,384 | 12,337 | (47) | 100.4 | 1,621 | (2.9) |
| | 1/01/06 | 13,392 | 13,966 | 574 | 95.9 | 1,724 | 33.3 |
| | 1/01/07 | 14,838 | 14,750 | (88) | 100.6 | 1,649 | (5.3) |
| | 1/01/08 | 16,406 | 16,801 | 395 | 97.6 | 1,756 | 22.5 |
| | 1/01/09 | 15,939 | 17,829 | 1,890 | 89.4 | 1,945 | 97.2 |
| | 1/01/10 | 16,475 | 18,951 | 2,476 | 86.9 | 1,909 | 129.7 |
| | 1/01/11 | 16,140 | 20,328 | 4,188 | 79.4 | 1,707 | 245.3 |
| | 1/01/12 | 15,540 | 20,968 | 5,428 | 74.1 | 1,798 | 301.9 |
| | 12/31/12 | 15,052 | 21,501 | 6,449 | 70.0 | 1,809 | 356.5 |
| Public Safety Other Division B (without Social Security) | 1/01/04 | \$ 99,780 | 113,039 | 13,259 | 88.3% | \$ 27,238 | 48.7% |
| | 1/01/05 | 110,438 | 133,380 | 22,942 | 82.8 | 29,576 | 77.6 |
| | 1/01/06 | 124,426 | 147,032 | 22,606 | 84.6 | 31,500 | 71.8 |
| | 1/01/07 | 143,308 | 164,346 | 21,038 | 87.2 | 32,973 | 63.8 |
| | 1/01/08 | 165,696 | 189,999 | 24,303 | 87.2 | 34,591 | 70.3 |
| | 1/01/09 | 168,044 | 215,201 | 47,157 | 78.1 | 38,837 | 121.4 |
| | 1/01/10 | 183,794 | 233,240 | 49,446 | 78.8 | 40,755 | 121.3 |
| | 1/01/11 | 194,810 | 256,799 | 61,989 | 75.9 | 39,059 | 158.7 |
| | 1/01/12 | 206,474 | 283,924 | 77,450 | 72.7 | 49,133 | 157.6 |
| | 12/31/12 | 227,659 | 313,022 | 85,363 | 72.7 | 58,119 | 146.9 |
| Total Public Safety Retirement System | 1/01/04 | \$1,448,888 | 1,556,758 | 107,870 | 93.1% | \$278,402 | 38.7% |
| | 1/01/05 | 1,524,904 | 1,726,785 | 201,881 | 88.3 | 293,797 | 68.7 |
| | 1/01/06 | 1,633,022 | 1,834,452 | 201,430 | 89.0 | 298,756 | 67.4 |
| | 1/01/07 | 1,809,198 | 1,968,982 | 159,784 | 91.9 | 316,662 | 50.5 |
| | 1/01/08 | 2,038,613 | 2,247,826 | 209,213 | 90.7 | 339,187 | 61.7 |
| | 1/01/09 | 2,017,576 | 2,473,667 | 456,091 | 81.6 | 365,043 | 124.9 |
| | 1/01/10 | 2,137,027 | 2,650,675 | 513,648 | 80.6 | 373,959 | 137.4 |
| | 1/01/11 | 2,194,016 | 2,844,101 | 650,085 | 77.1 | 363,037 | 179.1 |
| | 1/01/12 | 2,222,202 | 2,948,481 | 726,279 | 75.4 | 374,293 | 194.0 |
| | 12/31/12 | 2,283,777 | 3,129,084 | 845,307 | 73.0 | 366,471 | 230.7 |

Public Safety Retirement System**Schedules of Employer Contributions by Division***(dollars in thousands)*

| Division | Year Ended | Employer Contributions | |
|-------------------------|------------|-------------------------------|------------------------|
| | | Annual Required Contributions | Percentage Contributed |
| Public Safety | 2003 | \$17,406 | 100% |
| State of Utah | 2004 | 20,923 | 100 |
| | 2005 | 21,340 | 100 |
| | 2006 | 24,269 | 100 |
| | 2007 | 27,713 | 100 |
| | 2008 | 34,114 | 100 |
| | 2009 | 34,862 | 100 |
| | 2010 | 36,029 | 100 |
| | 2011 | 37,968 | 100 |
| | 2012 | 40,224 | 100 |
| Public Safety | 2003 | \$16,980 | 100% |
| Other Division A | 2004 | 21,426 | 100 |
| (with Social Security) | 2005 | 24,049 | 100 |
| | 2006 | 28,146 | 100 |
| | 2007 | 32,961 | 100 |
| | 2008 | 36,318 | 100 |
| | 2009 | 39,078 | 100 |
| | 2010 | 42,033 | 100 |
| | 2011 | 43,386 | 100 |
| | 2012 | 43,380 | 100 |
| Public Safety | 2003 | \$ 6,182 | 100% |
| Salt Lake City | 2004 | 6,405 | 100 |
| | 2005 | 7,424 | 100 |
| | 2006 | 8,292 | 100 |
| | 2007 | 9,293 | 100 |
| | 2008 | 9,747 | 100 |
| | 2009 | 9,883 | 100 |
| | 2010 | 10,015 | 100 |
| | 2011 | 10,453 | 100 |
| | 2012 | 11,023 | 100 |
| Public Safety | 2003 | \$ 986 | 100% |
| Ogden | 2004 | 1,158 | 100 |
| | 2005 | 1,170 | 100 |
| | 2006 | 1,381 | 100 |
| | 2007 | 1,557 | 100 |
| | 2008 | 1,763 | 100 |
| | 2009 | 1,757 | 100 |
| | 2010 | 1,885 | 100 |
| | 2011 | 2,079 | 100 |
| | 2012 | 2,285 | 100 |
| Public Safety | 2003 | \$ 455 | 100% |
| Provo | 2004 | 543 | 100 |
| | 2005 | 565 | 100 |
| | 2006 | 634 | 100 |
| | 2007 | 771 | 100 |
| | 2008 | 1,477 | 100 |
| | 2009 | 1,546 | 100 |
| | 2010 | 1,562 | 100 |
| | 2011 | 1,663 | 100 |
| | 2012 | 1,868 | 100 |

Public Safety Retirement Systems**Schedules of Employer Contributions by Division** *(Continued)**(dollars in thousands)*

| Division | Year Ended | Employer Contributions | | |
|--|--|-------------------------------|------------------------|------|
| | | Annual Required Contributions | Percentage Contributed | |
| Public Safety Logan | 2003 | \$ 132 | 100% | |
| | 2004 | 221 | 100 | |
| | 2005 | 271 | 100 | |
| | 2006 | 366 | 100 | |
| | 2007 | 508 | 100 | |
| | 2008 | 578 | 100 | |
| | 2009 | 715 | 100 | |
| | 2010 | 747 | 100 | |
| | 2011 | 800 | 100 | |
| | 2012 | 865 | 100 | |
| | Public Safety Bountiful | 2003 | \$ 298 | 100% |
| | | 2004 | 310 | 100 |
| 2005 | | 339 | 100 | |
| 2006 | | 327 | 100 | |
| 2007 | | 373 | 100 | |
| 2008 | | 437 | 100 | |
| 2009 | | 434 | 100 | |
| 2010 | | 485 | 100 | |
| 2011 | | 511 | 100 | |
| 2012 | | 597 | 100 | |
| Public Safety Other Division B (without Social Security) | | 2003 | \$ 4,216 | 100 |
| | | 2004 | 5,333 | 100 |
| | 2005 | 6,168 | 100 | |
| | 2006 | 7,051 | 100 | |
| | 2007 | 7,990 | 100 | |
| | 2008 | 9,465 | 100 | |
| | 2009 | 10,454 | 100 | |
| | 2010 | 10,830 | 100 | |
| | 2011 | 13,969 | 100 | |
| | 2012 | 17,733 | 100 | |
| | Total Public Safety Retirement System | 2003 | \$ 46,655 | 100% |
| | | 2004 | 56,319 | 100 |
| 2005 | | 61,326 | 100 | |
| 2006 | | 70,466 | 100 | |
| 2007 | | 81,166 | 100 | |
| 2008 | | 93,899 | 100 | |
| 2009 | | 98,729 | 100 | |
| 2010 | | 103,586 | 100 | |
| 2011 | | 110,829 | 100 | |
| 2012 | | 117,975 | 100 | |

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

| | Division A (with Social Security) | Division B (without Social Security) | Total All Divisions | |
|---|---|--|---------------------|---------|
| | | | 2012 | 2011 |
| Assets: | | | | |
| Cash | \$ 1 | 1 | 2 | 2 |
| Receivables: | | | | |
| Member contributions | 127 | 467 | 594 | 636 |
| Fire insurance tax | 137 | 406 | 543 | 3,084 |
| Investments | 2,049 | 11,212 | 13,261 | 16,739 |
| Total receivables | 2,313 | 12,085 | 14,398 | 20,459 |
| Investments at fair value: | | | | |
| Short-term securities, domestic | 7,725 | 42,261 | 49,986 | 38,075 |
| Short-term securities, international | 243 | 1,331 | 1,574 | 857 |
| Debt securities, domestic | 18,129 | 99,179 | 117,308 | 120,071 |
| Debt securities, international | 6,268 | 34,292 | 40,560 | 33,834 |
| Equity investments, domestic | 21,444 | 117,315 | 138,759 | 175,103 |
| Equity investments, international | 27,871 | 152,479 | 180,350 | 105,117 |
| Absolute return | 20,712 | 113,310 | 134,022 | 125,768 |
| Private equity | 15,463 | 84,595 | 100,058 | 86,266 |
| Real assets | 18,447 | 100,921 | 119,368 | 110,432 |
| Mortgage loans | 41 | 223 | 264 | 262 |
| Total investments | 136,343 | 745,906 | 882,249 | 795,785 |
| Invested securities lending collateral | 9,479 | 51,860 | 61,339 | 66,301 |
| Property and equipment at cost, net of accumulated depreciation | 38 | 208 | 246 | 43 |
| Total assets | 148,174 | 810,060 | 958,234 | 882,590 |
| Liabilities: | | | | |
| Securities lending collateral liability | 9,479 | 51,860 | 61,339 | 66,301 |
| Disbursements in excess of cash balance | 173 | 947 | 1,120 | 889 |
| Compensated absences, post-employment benefits and insurance reserve | 109 | 595 | 704 | 655 |
| Investment accounts payable | 2,887 | 15,795 | 18,682 | 20,088 |
| Real estate liabilities | 3,494 | 19,117 | 22,611 | 29,133 |
| Total liabilities | 16,142 | 88,314 | 104,456 | 117,066 |
| Net assets held in trust for pension benefits | \$132,032 | 721,746 | 853,778 | 765,524 |

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

| | Division A (with Social Security) | Division B (without Social Security) | Total All Divisions | |
|--|---|--|---------------------|---------|
| | | | 2012 | 2011 |
| Additions: | | | | |
| Contributions: | | | | |
| Member | \$ 3,959 | 13,544 | 17,503 | 17,328 |
| Employer | 415 | 849 | 1,264 | 316 |
| Fire insurance tax | 3,970 | 12,087 | 16,057 | 12,689 |
| Total contributions | 8,344 | 26,480 | 34,824 | 30,333 |
| Investment income: | | | | |
| Net appreciation in fair value of investments | 11,924 | 67,384 | 79,308 | 4,840 |
| Interest, dividends, and other investment income | 2,745 | 15,510 | 18,255 | 16,040 |
| Total income from investment activity | 14,669 | 82,894 | 97,563 | 20,880 |
| Less investment expenses | 237 | 1,338 | 1,575 | 1,797 |
| Net income from investment activity | 14,432 | 81,556 | 95,988 | 19,083 |
| Income from securities lending activity | 40 | 227 | 267 | 135 |
| Net investment income | 14,472 | 81,783 | 96,255 | 19,218 |
| Transfers from (to) affiliated systems | (74) | 1,399 | 1,325 | 1,699 |
| Total additions | 22,742 | 109,662 | 132,404 | 51,250 |
| Deductions: | | | | |
| Retirement benefits | 3,708 | 30,737 | 34,445 | 32,716 |
| Cost-of-living benefits | 656 | 8,215 | 8,871 | 8,313 |
| Supplemental retirement benefits | 16 | 328 | 344 | 377 |
| Refunds | 30 | 103 | 133 | 268 |
| Administrative expenses | 52 | 305 | 357 | 312 |
| Total deductions | 4,462 | 39,688 | 44,150 | 41,986 |
| Increase from operations | 18,280 | 69,974 | 88,254 | 9,264 |
| Net assets held in trust for pension benefits beginning of year | 113,752 | 651,772 | 765,524 | 756,260 |
| Net assets held in trust for pension benefits end of year | \$132,032 | 721,746 | 853,778 | 765,524 |

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 (Overfunded) AAL (UAAL) (2)-(1) | (4) Funded Ratios (1)/(2) | (5) Annual Covered Payroll | (6) UAAL as a % of Covered Payroll (3)/(5) |
|---------------------------|----------|--|--|---|------------------------------------|-------------------------------------|---|
| Firefighters | 1/01/04 | \$ 60,889 | 56,399 | (4,490) | 108.0% | \$ 14,524 | (30.9) |
| Division A | 1/01/05 | 65,260 | 62,802 | (2,458) | 103.9 | 15,490 | (15.9) |
| (with Social Security) | 1/01/06 | 72,396 | 73,109 | 713 | 99.0 | 18,344 | 3.9 |
| | 1/01/07 | 82,969 | 81,160 | (1,809) | 102.2 | 20,076 | (9.0) |
| | 1/01/08 | 96,207 | 94,414 | (1,793) | 101.9 | 22,589 | (7.9) |
| | 1/01/09 | 97,806 | 104,568 | 6,762 | 93.5 | 24,641 | 27.4 |
| | 1/01/10 | 106,035 | 115,687 | 9,652 | 91.7 | 27,318 | 35.3 |
| | 1/01/11 | 113,256 | 125,601 | 12,345 | 90.2 | 27,378 | 45.1 |
| | 1/01/12 | 119,761 | 132,279 | 12,518 | 90.5 | 28,409 | 44.1 |
| | 12/31/12 | 127,969 | 144,419 | 16,450 | 88.6 | 26,838 | 61.3 |
| Firefighters | 1/01/04 | \$528,613 | 492,979 | (35,634) | 107.2% | \$ 61,095 | (58.3) |
| Division B | 1/01/05 | 545,428 | 516,089 | (29,339) | 105.7 | 64,148 | (45.7) |
| (without Social Security) | 1/01/06 | 572,100 | 541,250 | (30,850) | 105.7 | 65,717 | (46.9) |
| | 1/01/07 | 622,082 | 562,605 | (59,477) | 110.6 | 68,606 | (86.7) |
| | 1/01/08 | 691,456 | 638,415 | (53,041) | 108.3 | 73,178 | (72.5) |
| | 1/01/09 | 668,065 | 672,054 | 3,989 | 99.4 | 77,611 | 5.1 |
| | 1/01/10 | 696,541 | 718,157 | 21,616 | 97.0 | 80,307 | 26.9 |
| | 1/01/11 | 696,960 | 746,532 | 49,572 | 93.4 | 77,897 | 63.6 |
| | 1/01/12 | 691,003 | 771,120 | 80,117 | 89.6 | 82,342 | 97.3 |
| | 12/31/12 | 696,091 | 811,249 | 115,158 | 85.8 | 83,770 | 137.5 |
| Total | 1/01/04 | \$589,502 | 549,378 | (40,124) | 107.3% | \$75,619 | (53.1) |
| Firefighters | 1/01/05 | 610,688 | 578,891 | (31,797) | 105.5 | 79,638 | (39.9) |
| Retirement | 1/01/06 | 644,496 | 614,359 | (30,137) | 104.9 | 84,061 | (35.9) |
| System | 1/01/07 | 705,051 | 643,765 | (61,286) | 109.5 | 88,682 | (69.1) |
| | 1/01/08 | 787,663 | 732,829 | (54,834) | 107.5 | 95,767 | (57.3) |
| | 1/01/09 | 765,871 | 776,622 | 10,751 | 98.6 | 102,252 | 10.5 |
| | 1/01/10 | 802,576 | 833,844 | 31,268 | 96.3 | 107,625 | 29.1 |
| | 1/01/11 | 810,216 | 872,133 | 61,917 | 92.9 | 105,275 | 58.8 |
| | 1/01/12 | 810,764 | 903,399 | 92,635 | 89.7 | 110,751 | 83.6 |
| | 12/31/12 | 824,060 | 955,668 | 131,608 | 86.2 | 110,608 | 119.0 |

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

| Division | Year Ended | Employer Contributions | |
|---------------------------|------------|-------------------------------|------------------------|
| | | Annual Required Contributions | Percentage Contributed |
| Firefighters | 2003 | \$ 1,748 | 100% |
| Division A | 2004 | 1,687 | 100 |
| (with Social Security) | 2005 | 2,098 | 100 |
| | 2006 | 2,153 | 100 |
| | 2007 | 3,241 | 100 |
| | 2008 | 2,471 | 100 |
| | 2009 | 2,579 | 100 |
| | 2010 | 3,030 | 100 |
| | 2011 | 3,600 | 100 |
| | 2012 | 4,385 | 100 |
| Firefighters | 2003 | \$ 7,311 | 100% |
| Division B | 2004 | 6,972 | 100 |
| (without Social Security) | 2005 | 7,503 | 100 |
| | 2006 | 7,365 | 100 |
| | 2007 | 10,556 | 100 |
| | 2008 | 7,748 | 100 |
| | 2009 | 13,580 | 100 |
| | 2010 | 7,885 | 100 |
| | 2011 | 9,405 | 100 |
| | 2012 | 12,936 | 100 |
| Total | 2003 | \$ 9,059 | 100% |
| Firefighters | 2004 | 8,659 | 100 |
| Retirement | 2005 | 9,601 | 100 |
| System | 2006 | 9,518 | 100 |
| | 2007 | 13,797 | 100 |
| | 2008 | 10,219 | 100 |
| | 2009 | 16,159 | 100 |
| | 2010 | 10,915 | 100 |
| | 2011 | 13,005 | 100 |
| | 2012 | 17,321 | 100 |

All Retirement Systems

Schedules of Administrative and Investment Expenses

Year Ended
December 31, 2012

| | <i>(in thousands)</i> | Total |
|---|-----------------------|-----------|
| Personal services: | | |
| Salaries and wages | | \$ 9,216 |
| Employee benefits | | 5,247 |
| Total personal services | | 14,463 |
| Professional services: | | |
| Audit | | 195 |
| Actuarial services | | 192 |
| General counsel | | 1,353 |
| Banking services | | 60 |
| Security handling expense | | 795 |
| Investment advisor fees | | 36,964 |
| Other consulting services | | 2,384 |
| Total professional services | | 41,943 |
| Communications: | | |
| Telephone | | 328 |
| Postage | | 519 |
| Total communications | | 847 |
| Rentals: | | |
| Office space | | 1,044 |
| Office equipment rental | | 209 |
| Total rentals | | 1,253 |
| Miscellaneous: | | |
| Data processing | | 767 |
| Professional development | | 285 |
| Contractual services | | 549 |
| Supplies and maintenance | | 245 |
| Insurance and bonding premiums | | 518 |
| Office supplies | | 147 |
| Other | | 355 |
| Depreciation expense | | 307 |
| Total miscellaneous | | 3,173 |
| Total administrative and investment expenses | | \$ 61,679 |
| Allocation of administrative expenses: | | |
| Noncontributory Retirement System | | \$ 8,397 |
| Contributory Retirement System | | 503 |
| Public Safety Retirement System | | 1,164 |
| Firefighters Retirement System | | 357 |
| Judges Retirement System | | 66 |
| Utah Governors and Legislators Retirement Plan | | 5 |
| Tier 2 Public Employees Retirement System | | 1 |
| Tier 2 Public Safety and Firefighters Retirement System | | — |
| 401(k) Plan | | 5,857 |
| 457 Plan | | 664 |
| Roth IRA Plan | | 53 |
| Traditional IRA Plan | | 61 |
| Health Reimbursement Arrangement (HRA) | | 22 |
| Total administrative expenses | | 17,150 |
| Investment administrative expense | | 7,523 |
| Investment advisor fees: | | |
| Investment Fund | | 33,573 |
| 401(k) Plan | | 3,033 |
| 457 Plan | | 333 |
| Roth IRA Plan | | 31 |
| Traditional IRA Plan | | 36 |
| Health Reimbursement Arrangement (HRA) | | — |
| Total investment expenses | | 44,529 |
| Total administrative and investment expense allocations | | \$ 61,679 |

Utah Retirement Systems
Comprehensive
Annual Financial Report



Investment

SECTION

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Utah Retirement Systems

Defined Benefit Investments

Report on Investment Activity

UTAH STATE RETIREMENT BOARD

UTAH RETIREMENT SYSTEMS

540 East 200 South
Salt Lake City, Utah 84102-2044
801-366-7700
800-365-8772
801-366-7734 FAX

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

April 19, 2013

Utah State Retirement Board
540 East 200 South
Salt Lake City, UT 84102-2044

Dear Members of the Utah Retirement Systems:

The U.S. economy displayed modest improvement in 2012. Gross domestic product (GDP) grew at 2.20% in 2012 compared to 1.81% for 2011. It appeared that reduced government spending at all levels along with a slowdown in inventory accumulation in the fourth quarter contributed to decreasing what otherwise would have been a better GDP number. However, there were some bright spots. The housing market and job market numbers continued to improve. The Institute for Supply Management (ISM) remained above its index level of 50 indicating that manufacturing and non-manufacturing continued to expand. (A number below 50 would indicate a contraction.) The stock market also did well posting a 16.00% return for the S&P 500. That number is a much better number than the paltry 2.11% return for the prior year. U.S. inflation, as measured by the consumer price index, continued to remain low at 2.08% compared to last year's number of 3.14%. Thus, the United States continued to slowly grow out of the great recession of 2008/2009. Given the excesses of the past and the continued deleveraging, the U.S. economy is doing about as well as can be expected and certainly better than most developed economies. Yet there are concerns about the future. The federal government is having difficulty making the necessary decisions to increase growth and employment. Small businesses are delaying their purchasing and employment decisions until there is more clarity to the debt, tax, and other issues that the politicians need to address. Our government debt levels have skyrocketed and are at all time highs. The specter of higher inflation seems to be closer than it has been in the past.

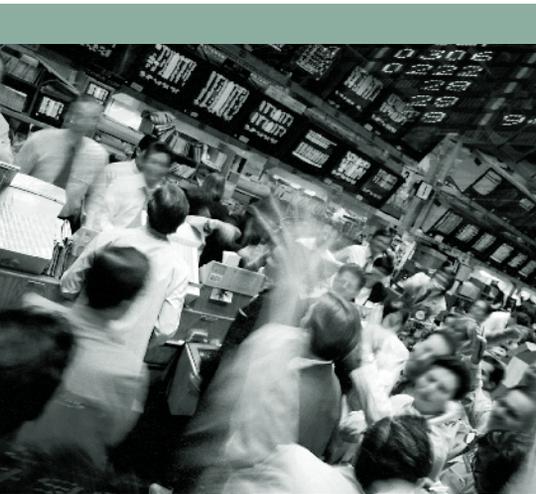
Defined Benefit Investments *(Continued)*

On the international front there are also concerns. Europe continued to struggle with high unemployment in the Euro Zone. Germany's economy contracted 0.50% in the fourth quarter. Although China continued to grow at an impressive rate, there are fears that it cannot be sustained. China's real estate bubble could burst. Japan began to address its continued problems by increased government spending and yen devaluation in order to inflate itself out of its dilemma. Yet through all this, capital continued to flow on a global basis presenting opportunities for good investments and increased returns.

Domestic equity markets turned in a fourth year of positive performance. The international market as measured by the Europe Australia Asia Far East index ("EAFE") returned 17.32% versus a negative (12.14%) for the previous year. Emerging Markets as measured by the Morgan Stanley Capital International ("MSCI") Emerging Markets Free-Unhedged Index returned 18.63% versus a negative (18.17%) for the previous year. Global bonds as measured by the Barclays Global Aggregate continued to return positive results. It returned 4.32% as compared to the previous year's return of 5.64%. The domestic bond market as measured by the Barclays Aggregate returned 4.21% versus 7.84% the previous year. The Federal Reserve has continued to be accommodative and has stated publicly it does not desire to raise interest rates until unemployment drops to 6.50%. Each year the threat of increasing interest rates looms larger. If interest rates rise in the future, bond prices will fall creating negative total returns. Thus many investors have continued to shorten the durations of their portfolios and add positive convexity to minimize a rising interest rate scenario. Private real estate continued its recovery with another positive year of 10.33% versus 14.64% for the previous year as measured by the National Council of Real Estate Investment Fiduciaries ("NCREIF") and public real estate as measured by the National Association of Real Estate Investment Trusts ("NAREIT") also did well returning 18.06% versus last year's return of 8.28%.

"...The Utah Retirement Systems ("Systems") primary objective is to protect principal as much as possible in negative equity markets. Although the Systems may lose money in negative equity markets it expects to lose less than most of its peers because of how the portfolio is structured. By losing less money in negative equity markets, the compounding effect going forward is much greater thus producing more wealth to the portfolio in the long run. However, positioning the portfolio to protect in negative equity markets may also cause the portfolio to underperform in positive equity markets. The increased diversification into other asset classes other than public equity may lower the return somewhat. We believe that it is the best model to meet the long-term obligations of the Systems and protect the participants' benefits."

Looking back at 2011 we saw global equity markets return a negative (6.86%) as measured by the MSCI All Country World Index ("ACWI"). Yet Utah Retirement Systems returned a positive 2.89% for the year. The Systems diversified portfolio saved 9.80% versus the global equity markets in a negative equity market. That saving could then be compounded with future returns. Also, this return was in the 17th percentile of its peer group (number 1 being the best and number 100 being the worst). In 2012, the global equity markets returned 16.80% whereas the Systems returned 13.10%. The Systems underperformed 3.70% versus the global equity markets in a positive equity market. This return was in the 55th percentile of its peer group. If one were to compound those two years' returns, the Systems would have compounded a dollar at 7.87% versus the global equity market at 4.30%. Thus the Systems' strategy of performing better in negative equity markets and underperforming in positive markets worked for the years 2011 and 2012. In years where equity markets turn more negative or more positive the outperformance or



Defined Benefit Investments *(Continued)*

underperformance increases. The Systems' 2012 return of 13.10% was greater than last year's return of 2.89% when the global equity markets were a negative (6.86%). The three-year return was 9.75% compared to 9.63% a year ago. The five-year return of 2.96% was higher than the 1.91% reported for the previous year and the ten-year return of 8.57% increased as compared to last year's 6.21% number.

A number of pension plans have yet to recover all they lost in 2008. However, Utah Retirement Systems has gained back all it lost in 2008 and, at the time of writing this letter, has added another approximately \$1.7 billion to its assets. Our patience has paid off for both risk and return. As I stated last year: "We continue to recover. We are a long-term investor because our liabilities are also long term...Our asset allocation is diversified and solid and should meet our obligations in the long run. Utah Retirement Systems continues to rank as a top quartile public pension fund in the United States."



Bruce H. Cundick
Chief Investment Officer



Outline of Investment Policies

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

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

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

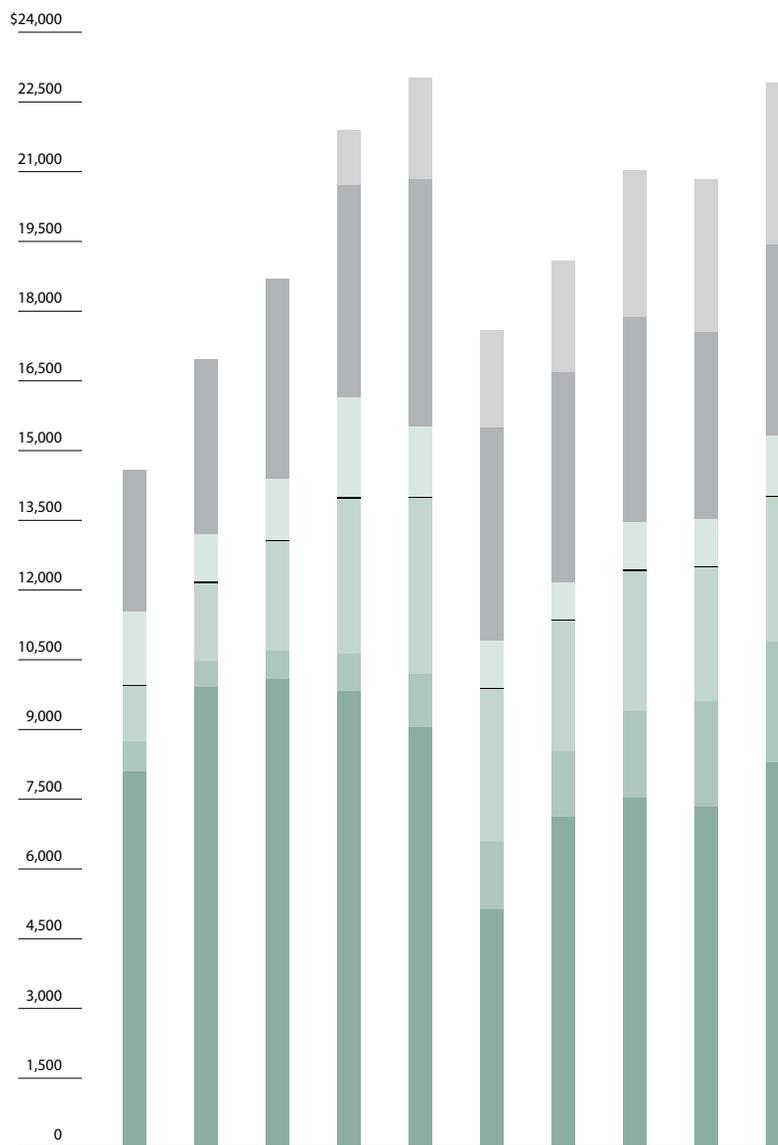
The primary investment objectives are to preserve Fund assets and generate an appropriate level of risk-adjusted return to meet future pension obligations. The Systems periodically complete an asset allocation and liability study to determine the optimal portfolio diversification to meet those obligations.



All Retirement Systems

10-Year Investment Comparison

(in millions)



(in millions)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Absolute return | \$ — | — | — | 1,198 | 2,196 | 2,097 | 2,411 | 3,138 | 3,287 | 3,474 |
| Debt securities | 3,062 | 3,754 | 4,301 | 4,558 | 5,315 | 4,578 | 4,521 | 4,406 | 4,022 | 4,093 |
| Short-term securities | 1,582 | 1,055 | 1,324 | 2,163 | 1,515 | 1,041 | 804 | 1,056 | 1,017 | 1,337 |
| Mortgages | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Real assets | 1,188 | 1,673 | 2,353 | 3,330 | 3,772 | 3,280 | 2,799 | 3,024 | 2,886 | 3,094 |
| Private equity | 654 | 553 | 612 | 803 | 1,150 | 1,442 | 1,411 | 1,840 | 2,254 | 2,594 |
| Equities | 8,070 | 9,896 | 10,061 | 9,804 | 9,029 | 5,120 | 7,104 | 7,521 | 7,323 | 8,272 |
| Totals | \$14,563 | 16,938 | 18,658 | 21,863 | 22,984 | 17,565 | 19,057 | 20,992 | 20,796 | 22,871 |

Defined Benefit Investments (Continued)

2012 Investment Summary

(dollars in thousands)

| | 2012 Beginning Fair Value | Purchases | Sales and Redemptions | Increase (Decrease) in Fair Value | 2012 Ending Fair Value | Percent of Total Fair Value |
|--------------------------------------|---------------------------------|-------------------|--------------------------|---|------------------------------|-----------------------------------|
| Short-term securities, domestic | \$ 995,025 | 31,851,565 | 31,550,985 | 192 | 1,295,797 | 5.67% |
| Short-term securities, international | 22,380 | 7,889,235 | 7,856,412 | (14,392) | 40,811 | 0.18 |
| Debt securities domestic | 3,137,822 | 12,642,405 | 12,792,963 | 53,765 | 3,041,029 | 13.30 |
| Debt securities international | 884,193 | 2,110,679 | 1,997,609 | 54,209 | 1,051,472 | 4.60 |
| Equities domestic | 4,575,996 | 4,998,469 | 6,070,290 | 92,925 | 3,597,100 | 15.73 |
| Equity international | 2,747,045 | 2,543,839 | 1,322,540 | 706,940 | 4,675,284 | 20.44 |
| Absolute return | 3,286,714 | 1,627,730 | 1,551,506 | 111,370 | 3,474,308 | 15.19 |
| Private equity | 2,254,396 | 554,208 | 321,885 | 107,128 | 2,593,847 | 11.34 |
| Real assets | 2,885,926 | 1,056,683 | 876,688 | 28,521 | 3,094,442 | 13.52 |
| Mortgage loans | 6,845 | — | — | 2 | 6,847 | 0.03 |
| Totals | \$20,796,342 | 65,274,813 | 64,340,878 | 1,140,660 | 22,870,937 | 100.00% |

The Systems' investment portfolio includes strategic, long-term commitments in the following asset classes: Domestic Equities, Domestic Debt Securities, International Equities, International Debt Securities, Real Assets, Private Equity, and Absolute Return. 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 manages overall expected portfolio risk (volatility) and maximizes expected return without unduly constraining the discretionary, tactical decision-making process of the investment managers.

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

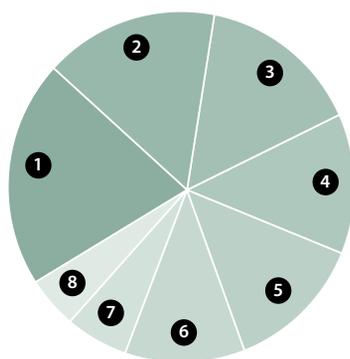
All managers must acknowledge a co-fiduciary status to the Fund. All managers are expected to communicate with the staff at least quarterly.

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

Investment return calculations are prepared using a time-weighted rate of return.

Year-end Asset
Allocation at Fair Value

December 31, 2012

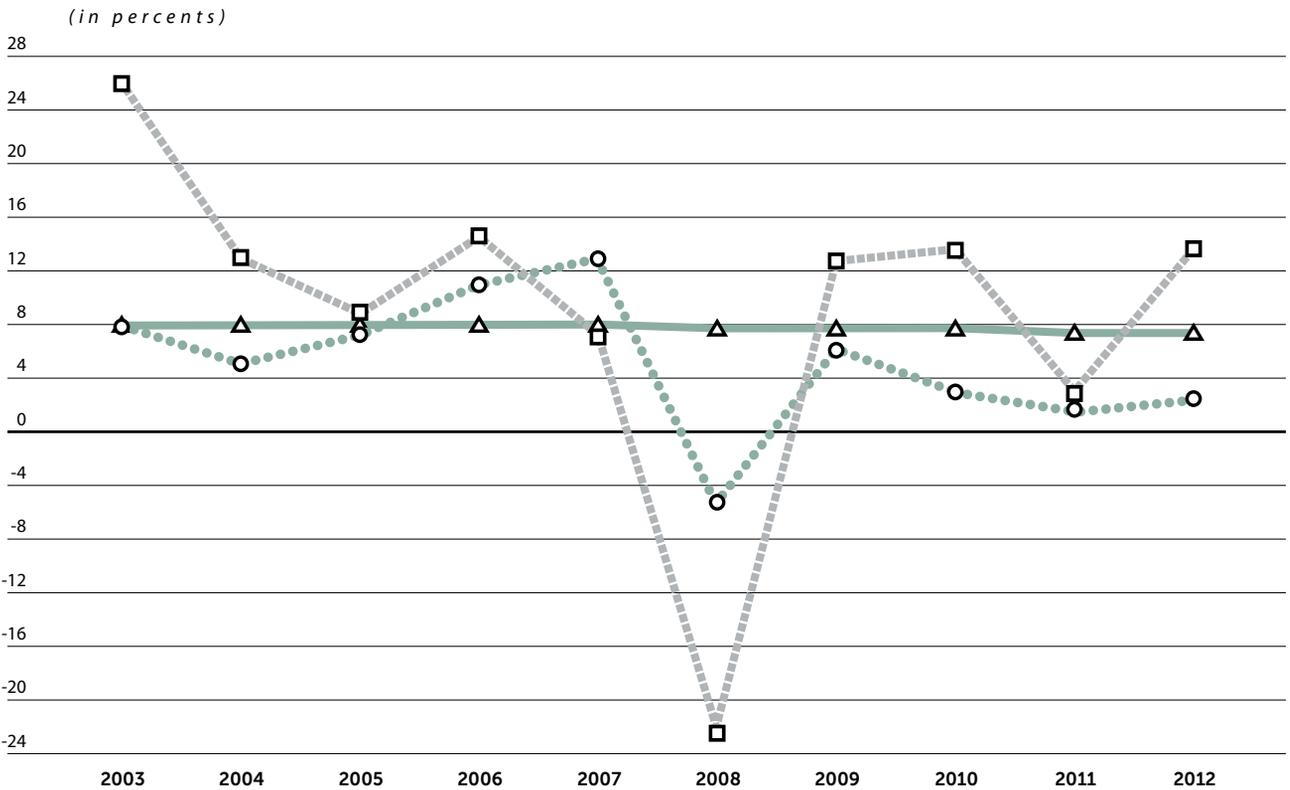


- 1 Equities, International (20.5%)
- 2 Equities, Domestic (15.7%)
- 3 Absolute Return (15.2%)
- 4 Real Assets (13.5%)
- 5 Debt Securities, Domestic (13.3%)
- 6 Private Equity (11.3%)
- 7 Short-Term Securities (5.9%)
- 8 Debt Securities, International (4.6%)

| | December 31, 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|----------------------|--------------|--------------|--------------|--------------|--------------|
| Equities, domestic | 26.0% | 18.5 | 23.5 | 22.6 | 22.0 | 15.7 |
| Equities, international | 13.1 | 10.7 | 13.8 | 13.2 | 13.2 | 20.5 |
| Debt securities, domestic | 20.8 | 22.5 | 19.6 | 16.8 | 15.1 | 13.3 |
| Debt securities, international | 2.5 | 3.6 | 4.1 | 4.2 | 4.3 | 4.6 |
| Private equity | 5.0 | 8.2 | 7.4 | 8.8 | 10.8 | 11.3 |
| Real assets | 16.4 | 18.7 | 14.7 | 14.4 | 13.9 | 13.5 |
| Short-term securities | 6.6 | 5.9 | 4.2 | 5.0 | 4.9 | 5.9 |
| Absolute return | 9.6 | 11.9 | 12.7 | 15.0 | 15.8 | 15.2 |
| Total portfolio | 100.0% | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Defined Benefit Investments (Continued)

10-Year Total Pension Investment Rates of Return



(dollars in millions)

| | Total Investment Portfolio Fair Value | (1) Smooth Expected Rate of Return | (2) Fair Value Rate of Return | (3) Actuarial Assumed Interest Rate |
|------|---------------------------------------|------------------------------------|-------------------------------|-------------------------------------|
| 2003 | \$14,563 | 8.01% | 26.00% | 8.00% |
| 2004 | 16,937 | 5.32 | 13.24 | 8.00 |
| 2005 | 18,657 | 7.36 | 8.96 | 8.00 |
| 2006 | 21,861 | 11.10 | 14.77 | 8.00 |
| 2007 | 22,979 | 13.04 | 7.15 | 8.00 |
| 2008 | 17,565 | (5.03) | (22.30) | 7.75 |
| 2009 | 19,058 | 6.11 | 12.88 | 7.75 |
| 2010 | 20,992 | 2.87 | 13.73 | 7.75 |
| 2011 | 20,796 | 1.34 | 2.89 | 7.50 |
| 2012 | 22,871 | 2.75 | 13.10 | 7.50 |

(1) **Smoothed Expected Rate of Return** consists of investment income in excess or shortfall of the expected 7.50% on fair value smoothed over a 5-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

(2) **Fair Value Rate of Return** consists of cash income plus gains and losses due to changes in fair value, whether realized or unrealized (before deduction of investment fees). (For 2012, 12.86% net of fees.)

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

Defined Benefit Investments (Continued)

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

Year Ended December 31, 2012

| Investment Option Comparative Index | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---------------|---------------|---------------|--------------|
| Domestic Equity | 19.50% | 10.29% | 1.71% | 9.22% |
| Russell Global Equity Index | 16.51 | 6.95 | (0.94) | NA* |
| International Equity | 17.88 | 7.50 | 0.49 | 10.84 |
| Russell Global Equity Index | 16.51 | 6.95 | (0.94) | NA* |
| Domestic Debt Securities | 6.35 | 8.05 | 7.31 | 5.87 |
| Barclays Capital U.S. Aggregate Bond Index..... | 4.21 | 6.19 | 5.95 | 5.18 |
| International Debt Securities | 7.33 | 6.57 | 5.42 | 6.95 |
| International Debt Securities Benchmark | 12.15 | 11.74 | 9.35 | 8.37 |
| <i>Benchmark consisting of:</i> | | | | |
| 38% Barclays Capital Global Aggregate Bond Index | | | | |
| 62% Barclays Capital Global Inflation-Linked Bond Index | | | | |
| Real Assets** | 8.94 | 12.26 | (3.40) | 6.63 |
| U.S. Consumer Price Index + 5.0% | 6.68 | 7.19 | 6.89 | 7.48 |
| Private Equity | 13.17 | 14.27 | 6.18 | 13.50 |
| Private Equity Benchmark..... | 19.84 | 14.77 | 5.73 | 11.21 |
| <i>Benchmark consisting of:</i> | | | | |
| 89% Russell 3000 Index + 3.5% | | | | |
| 11% Russell 3000 Index + 2.0% | | | | |
| Absolute Return | 6.62 | 6.20 | 4.04 | NA* |
| Treasury Bills + 5.0% | 5.11 | 5.11 | 5.52 | NA* |
| Short Term | 0.14 | 0.16 | 0.69 | 1.92 |
| 3 Month Treasury Bills | 0.11 | 0.11 | 0.52 | 1.78 |
| Total Fund | 13.10 | 9.75 | 2.96 | 8.38 |
| Fund Benchmark | 12.23 | 9.17 | 3.63 | 8.57 |
| <i>Benchmark consisting of:</i> | | | | |
| 40% Russell Global Equity Index | | | | |
| 18% Treasury Bill + 5.0% | | | | |
| 13% U.S. Consumer Price Index + 5.0% | | | | |
| 12% Barclays Capital U.S. Aggregate Bond Index | | | | |
| 8% Russell 3000 Index + 3.5% | | | | |
| 5% Barclays Capital Global Inflation-Linked Bond Index | | | | |
| 3% Barclays Capital Global Aggregate Bond Index | | | | |
| 1% Russell 3000 Index + 2.0% | | | | |
| CAI Public Fund — Large Database Medium..... | 9.46 | 9.49 | 5.02 | 7.36 |
| Inflation | 1.68 | 2.19 | 1.88 | 2.47 |

(1) Investment measurement services provided by Callan Associates Inc.

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

(3) Investment return calculations were prepared using a time-weighted return.

*Not available.

**The non real estate portion of Real Assets only reflects returns for 1 year. Years 3, 5, and 10 are for real estate only using NCREIF Total Index Benchmark.

Defined Benefit Investments (Continued)

List of Largest Assets Held

December 31, 2012

Largest Equity Holdings

(By Fair Value)

| Description | Shares | Fair Value |
|--------------------------------------|-----------|---------------|
| Apple Inc. | 139,285 | \$ 74,243,084 |
| Exxon Mobil Corp. | 516,752 | 44,724,886 |
| General Electric Corp. | 1,577,836 | 33,118,778 |
| Chevron Corp. | 293,797 | 31,771,208 |
| Nestle, SA | 487,916 | 31,769,043 |
| International Business Machines Corp | 162,361 | 31,100,250 |
| Microsoft Corp. | 1,120,892 | 29,961,443 |
| AT&T, Inc. | 873,060 | 29,430,853 |
| HSBC Holdings, PLC | 2,795,238 | 29,392,934 |
| Johnson & Johnson | 409,230 | 28,687,023 |

Largest Debt Securities Holdings

(By Fair Value)

| Description | Par Value | Fair Value |
|---|---------------|------------|
| US Treasury Notes 0.25% Due 11/30/2014 | \$ 95,225,000 | 95,228,714 |
| US Treasury Notes 0.625% Due 11/30/2017 Reg | 64,610,000 | 64,392,975 |
| US Treasury Notes 1.00% Due 11/30/2019 | 48,905,000 | 48,431,208 |
| France (Govt of) 2.25% OATEI 7/25/2020 EUR | 19,676,818 | 37,433,366 |
| US Treasury Notes Inflation Protected 0.5% Due 04-15-2015 | 31,718,800 | 35,327,643 |
| US Treasury Bonds Inflation Indexed 0.75% Due 02/15/2042 | 29,993,100 | 33,628,652 |
| Germany (Govt of) 1.5% Inflation Linked 04/15/2016 EUR | 18,242,141 | 30,129,906 |
| US Treasury Bonds 6.5% Due 11/15/2026 | 19,425,000 | 29,498,688 |
| US Treasury Bonds 6.625% Due 02/15/2027 Reg | 18,900,000 | 29,073,511 |
| US Treasury Bonds Inflation Index Linked 3.875% Due 04/15/2029 | 12,237,100 | 28,540,403 |

Schedules of Fees and Commissions

Year Ended December 31, 2012

Broker Commission Fees

| Broker | Total Commission Fees |
|-----------------------------|-----------------------|
| Credit Suisse | \$ 564,604 |
| Instinet | 301,559 |
| The Northern Trust Company | 289,782 |
| Merrill Lynch | 231,432 |
| Citigroup | 205,492 |
| Goldman Sachs | 175,857 |
| Deutsche Bank Securities | 165,314 |
| JPMorgan | 139,662 |
| Frank Russell Sec/Broadcort | 133,235 |
| Jefferies & Company | 106,787 |
| BNY ESI Securities | 70,955 |
| Macquarie | 69,311 |
| UBS | 62,638 |
| Morgan Stanley | 52,708 |
| Weeden and Company | 51,231 |
| All others | 1,176,778 |
| Total | \$ 3,797,345 |

Schedule of Investment Fees and Commissions

| | |
|--------------------------------------|-------------------|
| Investment advisor fees: | |
| Equity securities, domestic | \$ 9,415,494 |
| Equity securities, international | 15,960,871 |
| Debt securities, domestic | 2,753,573 |
| Debt securities, international | 2,025,284 |
| Private equity | 1,090,571 |
| Absolute return | 1,669,608 |
| Real assets | 657,706 |
| Total investment advisor fees | 33,573,106 |
| Investment brokerage fees | 3,797,345 |
| Total fees and commissions | 37,370,451 |

Utah Retirement Systems uses a commission recapture program as part of its trading strategies. During the year ending December 31, 2012, Utah Retirement Systems recaptured approximately \$162,972 from the gross commission charges. This sum was used to fund almost \$150,424 in investment expenses that otherwise would have been paid for with investment funds.

Defined Benefit Investments *(Concluded)*

Investment Professionals

Abbott Capital
Management, LLC
1290 Avenue of the Americas
9th Floor
New York, NY 10104

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

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

BlackRock Realty Advisors
One Boston Place
32nd Floor
Boston, MA 02108

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

Capital International
333 South Hope Street
Los Angeles, CA 90071

CB Richard Ellis Global
Investors
515 South Flower Street
31st Floor
Los Angeles, CA 90071

Cottonwood Partners
1389 Center Drive
Suite 360
Park City, UT 84098

Credit Suisse
11 Madison Avenue
16th Floor
New York, NY 10010

The Collier Companies
220 North Main St.
Gainesville, FL 32608

Dimensional Fund
Advisors, Inc.
1299 Ocean Avenue
11th Floor
Santa Monica, CA 90401

The Forest Company
Heritage Hall, PO Box 225
Le Marchant St., St. Peter Port
Guernsey, GV1 4HY,
Channel Islands

Founders Properties, LLC
10350 Bren Road West
Hopkins, MN 55343-9014

Goldman, Sachs & Co./
Whitehall
85 Broad Street
New York, NY 10004

Gryphon International
Investment Corp.
20 Bay Street
Toronto, Ontario M5J 2N8
Canada

Hancock Timber
Resources Group
99 High Street
Boston, MA 02110

Hart Realty Advisors, Inc.
One Mill Pond Lane
Simsbury, CT 06070

Henderson Global Investors
One Financial Plaza
Hartford, CT 06103

International Value Advisors
645 Madison Avenue
12th Floor
New York, NY 10022

JP Morgan Fleming Asset
Management
227 West Monroe
Chicago, IL 60606

Longview Partners L.P.
Thames Court
1 Queenhithe
London EC4V 3RL
United Kingdom

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

Portfolio Advisors
9 Old Kings Highway
South Darien, CT 06820

Real Estate Capital Partners
114 West 47th Street
New York, NY 10036

Sasco Capital
10 Sasco Hill Road
Fairfield, CT 06824

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

Silchester International
Investors, Inc.
780 Third Avenue
42 Floor
New York, NY 10017

The Praedium Group, LLC
825 Third Avenue
36th Floor
New York, NY 10022

Torchlight Investors
230 Park Avenue
New York, NY 10169

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

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

Utah Retirement Systems Consultants

Albourne America LLC
655 Montgomery Street
San Francisco, CA 94111

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

Russell Implementation
Services, Inc.
1301 Second Ave.
18th Floor
Seattle, WA 98101

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

Utah Retirement Systems

Defined Contribution Investment Plans



Investment Highlights

Utah Retirement Systems' 401(k), 457, Roth and traditional IRAs are tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue Code. These plans are available to employees of the state, local government, and public education employers throughout Utah.

The participants of the plans have a choice of 11 core investment funds and a brokerage window in which their monies may be invested. Each participant may choose one or a combination of the core funds.

The table on the top of page 116 shows the total invest-

ments in the various investment options. The asset graph to the left of the table shows the asset distribution as of December 31, 2012.



Investment and Administrative Expenses

There are no front-end load, redemption, or other hidden fees associated with these plans. All costs reflected in the table on the bottom of page 116 are deducted from earnings prior to posting to participant accounts and do not appear as separate items on participant statements.

The administrative fee for the brokerage window account is a flat rate of \$25 per quarter. Investment fees and broker commissions are paid by the participant according to the trading and securities selected within the brokerage window.

By administering the defined contribution plans internally rather than through a third party, expenses are kept at very low levels to maximize earnings to each participant. The bottom table on page 116 shows these expenses to be nominal when compared to much higher fees on most annuities, mutual funds, and insurance contracts.

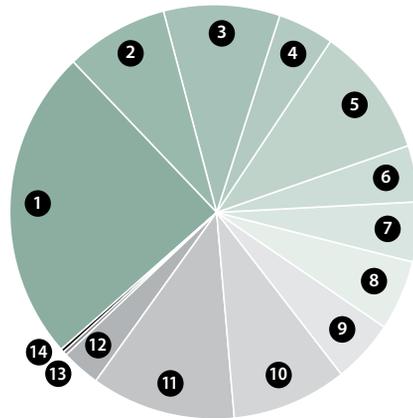
An annual account maintenance fee of \$15 is assessed to inactive accounts with combined 401(k), 457, Roth and traditional IRA balances of less than \$5,000. There may also be special service fees for loans and short-term trading.

The investments described are not FDIC insured; not deposits or obligations of, or guaranteed by, any financial institution; and not guaranteed by the Utah Retirement Systems or any government agency.

The past performance of any of these funds does not guarantee future results.

Utah Retirement Systems' employees are not registered securities advisors. They cannot offer investment advice or make recommendations. Because the participants make the investment decisions about their accounts, the plans' sponsor, trustees, and others associated with the investments may be relieved of liability for investment performance.

Defined Contribution Plans Investment Plans (Continued)



- 1 Income Fund (24.21%)
- 2 Bond Fund (8.29%)
- 3 Balanced Fund (9.11%)
- 4 Large Cap Stock Value Fund (4.47%)
- 5 Large Cap Stock Index Fund (10.25%)
- 6 Large Cap Stock Growth Fund (4.43%)
- 7 International Fund (4.82%)
- 8 Small Cap Stock Fund (5.38%)
- 9 Short Horizon Fund (5.13%)
- 10 Medium Horizon Fund (9.15%)
- 11 Long Horizon Fund (11.47%)
- 12 Brokerage Window (2.81%)
- 13 Tier 2 DC Nonvested (0.21%)
- 14 HRA Fund (0.29%)

Defined Contribution Plans Investments

December 31, 2012

(in thousands)

| Investment Options | Total |
|-----------------------------|--------------------|
| Income Fund | \$ 864,970 |
| Bond Fund | 296,241 |
| Balanced Fund | 325,330 |
| Large Cap Stock Value Fund | 159,826 |
| Large Cap Stock Index Fund | 366,080 |
| Large Cap Stock Growth Fund | 158,156 |
| International Fund | 172,163 |
| Small Cap Stock Fund | 192,180 |
| Short Horizon Fund | 183,138 |
| Medium Horizon Fund | 326,786 |
| Long Horizon Fund | 409,616 |
| Brokerage Window | 100,356 |
| Tier 2 DC Nonvested | 7,626 |
| HRA Fund | 10,212 |
| Totals | \$3,572,680 |

2012 Investment Summary and Investment and Administrative Fees

(dollars in thousands)

| Fund | 2012 Beginning Fair Value | Purchases | Sales and Redemptions | Increase (Decrease) in Fair Value | 2012 Ending Fair Value | Percent of Total Fair Value | Investment Fees | Administrative Fees | Total Fees |
|-----------------------------|---------------------------|----------------|-----------------------|-----------------------------------|------------------------|-----------------------------|-----------------|---------------------|------------|
| Income Fund | \$ 877,509 | 55,058 | 72,159 | 4,562 | 864,970 | 24.20% | 0.21% | 0.23% | 0.44% |
| Bond Fund | 230,691 | 67,310 | 17,842 | 16,082 | 296,241 | 8.29 | 0.12 | 0.23 | 0.35 |
| Balanced Fund | 290,382 | 17,025 | 18,679 | 36,602 | 325,330 | 9.11 | 0.26 | 0.23 | 0.49 |
| Large Cap Stock Value Fund | 129,534 | 18,107 | 13,788 | 25,973 | 159,826 | 4.47 | 0.42 | 0.23 | 0.65 |
| Large Cap Stock Index Fund | 329,710 | 12,137 | 19,692 | 43,925 | 366,080 | 10.25 | 0.03 | 0.23 | 0.26 |
| Large Cap Stock Growth Fund | 141,522 | 17,457 | 18,023 | 17,200 | 158,156 | 4.43 | 0.29 | 0.23 | 0.52 |
| International Fund | 155,269 | 6,503 | 13,776 | 24,167 | 172,163 | 4.82 | 0.36 | 0.23 | 0.59 |
| Small Cap Stock Fund | 177,313 | 14,840 | 22,921 | 22,948 | 192,180 | 5.38 | 0.41 | 0.23 | 0.64 |
| Short Horizon Fund | 154,979 | 30,167 | 14,870 | 12,862 | 183,138 | 5.13 | 0.19 | 0.23 | 0.42 |
| Medium Horizon Fund | 266,401 | 40,133 | 11,960 | 32,212 | 326,786 | 9.15 | 0.20 | 0.23 | 0.43 |
| Long Horizon Fund | 350,292 | 27,251 | 12,402 | 44,475 | 409,616 | 11.47 | 0.23 | 0.23 | 0.46 |
| Brokerage Window | 72,820 | 29,204 | 6,469 | 4,801 | 100,356 | 2.81 | NA | 0.23 | 0.23 |
| Tier 2 DC Nonvested | 722 | 6,546 | 2 | 360 | 7,626 | 0.21 | 0.23 | 0.23 | 0.46 |
| HRA Fund | 8,328 | 3,618 | 1,734 | — | 10,212 | 0.29 | 0.37 | 0.23 | 0.60 |
| Totals | \$3,185,472 | 345,356 | 244,317 | 286,169 | 3,572,680 | 100.00% | | | |

Defined Contribution Plans Investment Plans (Continued)

Defined Contribution Plans Comparative Annualized Rates of Return

Year Ended December 31, 2012

| Investment Option Comparative Index | Annualized | | | |
|---|--------------|--------------|---------------|--------------|
| | 1-Year | 3-Year | 5-Year | 10-Year |
| Income Fund | 1.92% | 1.94% | 2.60% | 3.43% |
| Treasury Bills Index..... | 0.11 | 0.11 | 0.52 | 1.78 |
| Bond Fund | 7.69 | 6.73 | 7.21 | 5.69 |
| Barclays Capital Aggregate Bond Index | 4.21 | 6.19 | 5.95 | 5.18 |
| Balanced Fund | 14.70 | 8.78 | 4.09 | 7.33 |
| Balanced Index (1) | 11.37 | 9.46 | 4.02 | 6.74 |
| Large Cap Stock Value Fund | 21.86 | 9.78 | (0.36) | 7.15 |
| Russell 1000 Value Index | 17.51 | 10.86 | 0.59 | 7.38 |
| Large Cap Stock Index Fund | 16.19 | 10.44 | 1.37 | 6.79 |
| Large Cap Stock Index (2) | 16.42 | 10.67 | 1.55 | 7.04 |
| Large Cap Stock Growth Fund | 15.65 | 9.79 | 2.47 | 7.30 |
| Russell 1000 Growth Index..... | 15.26 | 11.35 | 3.12 | 7.52 |
| International Fund | 16.99 | 3.12 | (3.46) | 7.43 |
| International Index (3)..... | 17.04 | 2.67 | (4.19) | 7.93 |
| Small Cap Stock Fund | 18.12 | 14.17 | 5.24 | 10.59 |
| Russell 2000 Index | 16.35 | 12.25 | 3.56 | 9.72 |
| Short Horizon Fund | 9.23 | 6.46 | 4.97 | 5.44 |
| Short Horizon Index (4)..... | 7.10 | 6.01 | 3.79 | 4.94 |
| Medium Horizon Fund | 12.47 | 7.48 | 3.57 | 6.93 |
| Medium Horizon Index (5)..... | 10.84 | 7.41 | 3.14 | 6.81 |
| Long Horizon Fund | 14.38 | 7.52 | 1.55 | 7.30 |
| Long Horizon Index (6)..... | 13.94 | 7.61 | 1.34 | 7.36 |
| Tier 2 DC Nonvested | 12.47 | NA | NA | NA |
| Medium Horizon Index | 10.84 | 7.41 | 3.14 | 6.81 |
| HRA Fund | 0.00 | 0.00 | 0.19 | NA |
| Treasury Bills Index..... | 0.11 | 0.11 | 0.52 | 1.78 |

Past performance does not guarantee future results.

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

Investment return calculations were prepared using a time-weighted return. Comparative indexes below reflect current asset allocation targets.

(1) Balanced Index: 60% S&P 500 Index, 40% Barclays Capital Aggregate Bond Index

(2) S&P 500 Index through 6/30/11, Russell 1000 Index thereafter

(3) MSCI EAFE Index through 3/31/11, then MSCI ACWI ex US IMI Index thereafter

(4) Short Horizon Index: 15% Treasury Bills, 35% BC Aggregate Bond, 10% BC Global Inflation-Linked Bonds, 10% BC Global Agg Unhdg, 13% Russell 1000, 10% MSCI ACWI ex-US IMI, 4% Russell 2000 and 3% DJI UBS Commodity Idx

(5) Medium Horizon Index: 30% BC Aggregate Bond, 5% BC Global Infl-Lk Bd Hdg, 10% BC Glob Agg Unhdg, 23% Russell 1000, 18% MSCI ACWI ex-US IMI, 5% Russell 2000, 4% EPRA/NAREIT Dev Idx and 5% DJI UBS Commodity Idx

(6) Long Horizon Index: 15% BC Aggregate Bond, 5% BC Glob Agg Unhdg, 28% Russell 1000, 28% MSCI ACWI ex-US IMI, 9% Russell 2000, 8% EPRA/NAREIT Dev Idx and 7% DJI UBS Commodity Idx

Defined Contribution Plans Investment Plans (Continued)

List of Largest Assets Held

December 31, 2012

Largest Equity Holdings

(By Fair Value)

| Description | Shares | Fair Value |
|---------------------------------------|---------|--------------|
| Apple Inc. | 66,071 | \$35,217,825 |
| Fut Mar 12 EMINI S&P 500 | 312 | 22,153,560 |
| Google Inc. Class A | 22,296 | 15,816,114 |
| Visa Inc. Class A | 87,787 | 13,306,753 |
| Exxon Mobile Corp. | 149,900 | 12,973,845 |
| MasterCard Inc. Class A | 26,367 | 12,953,580 |
| Amazon Company Inc. | 47,138 | 11,838,237 |
| Monsanto Company | 121,468 | 11,496,946 |
| Schlumberger Company | 149,043 | 10,327,189 |
| International Business Machines Corp. | 52,252 | 10,008,871 |

Largest Debt Securities Holdings

(By Fair Value)

| Description | Par Value | Fair Value |
|-------------------------------------|--------------|------------|
| Bank of America Tri-Party Repo | \$45,800,000 | 45,800,000 |
| US Treasury Note 1.00% 6/30/2019 | 29,000,000 | 28,913,899 |
| US Treasury Note 0.625% 8/31/2017 | 26,650,000 | 26,625,002 |
| US Treasury Note 3.125% 5/15/2021 | 22,258,000 | 25,240,216 |
| US Treasury Note 0.75% 10/31/2017 | 23,000,000 | 23,075,468 |
| US Treasury Note 0.75% 8/15/2013 | 22,350,000 | 22,433,813 |
| US Treasury Note 0.25% 9/15/2015 | 22,000,000 | 21,951,864 |
| Freddie Mac 15 Yr TBA 3.00% 1/17/13 | 19,434,500 | 20,424,445 |
| US Treasury Note 0.625% 9/30/2017 | \$18,500,000 | 18,466,756 |

Schedules of Fees and Commissions

Year Ended December 31, 2012

Summary of Broker Commissions

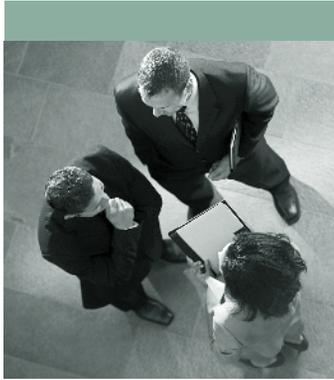
| Broker | Total Commission Fees |
|-----------------------------------|-----------------------|
| Weeden & Company | \$ 73,974 |
| Jefferies & Company | 21,789 |
| Frank Russell Sec/Broadcort | 16,377 |
| Investment Technology Group, Inc. | 8,258 |
| Morgan Stanley & Co., Inc. | 4,776 |
| Goldman Sachs & Co. | 4,584 |
| ISI Group, Inc. | 4,436 |
| Credit Suisse First Boston Corp. | 4,281 |
| Bear Stearns | 3,469 |
| Merrill Lynch & Co., Inc. | 3,185 |
| Knight Equity Markets, LP | 3,103 |
| Pacific Crest Securities | 2,750 |
| Sanford C. Bernstein & Co. | 2,577 |
| Green Street Advisors, Inc. | 2,320 |
| Merrill Lynch International, Ltd. | 1,777 |
| All others | 42,507 |
| Total | \$ 200,163 |

Schedule of Investment Fees

| | |
|--------------------------------------|--------------------|
| Investment advisor fees: | |
| Debt securities, domestic | \$ 1,743,212 |
| Debt securities, international | 42,402 |
| Equity investments, domestic | 1,293,325 |
| Equity investments, international | 354,302 |
| Total investment advisor fees | 3,433,241 |
| Investment brokerage fees | 200,163 |
| Total fees and commissions | \$3,633,405 |

Utah Retirement Systems uses a commission recapture program as part of its trading strategies. During the year ending December 31, 2012, Utah Retirement Systems recaptured \$53,937 from the gross commission charges. This sum was used to fund \$37,852 in investment expenses that otherwise would have been paid for with investment funds.

Defined Contribution Plans Investment Plans *(Concluded)*



Investment Professionals

Defined Contribution Plans Investment Professionals

Ameriprise Trust Company
940 Ameriprise Financial Center
Minneapolis, MN 55474
(Income Fund and Short Horizon Fund)

BlackRock Asset Management
40 East 52nd Street
New York, NY 10019
(Short, Medium, and Long Horizon Funds)

Charles Schwab
101 Montgomery Street
San Francisco, CA 94104
(Brokerage Window)

Dimensional Fund Advisors, Inc.
6300 Bee Cave Road
Austin, TX 78746
(Small Cap Stock Fund and Short, Medium, and Long Horizon Funds)

European Investors
640 Fifth Avenue, 8th Floor
New York NY 10019
(Short, Medium, and Long Horizon Funds)

Dodge & Cox Investment Managers
555 California Street
40th Floor
San Francisco, CA 94104
(Bond Fund, Large Cap Stock Value Fund, Balanced Fund, and Short, Medium, and Long Horizon Funds)

Jennison Associates, LLC
466 Lexington Avenue
New York, NY 10017
(Balanced Fund, Large Cap Stock Growth Fund, and Short, Medium, and Long Horizon Funds)

Standish
201 Washington Street
Suite 2900
Boston, MA 02108
(Short, Medium, and Long Horizon Funds)

The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60675
(Balanced Fund, HRA Fund, Large Cap Stock Growth Fund, International Fund, and Short, Medium, and Long Horizon Funds)

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

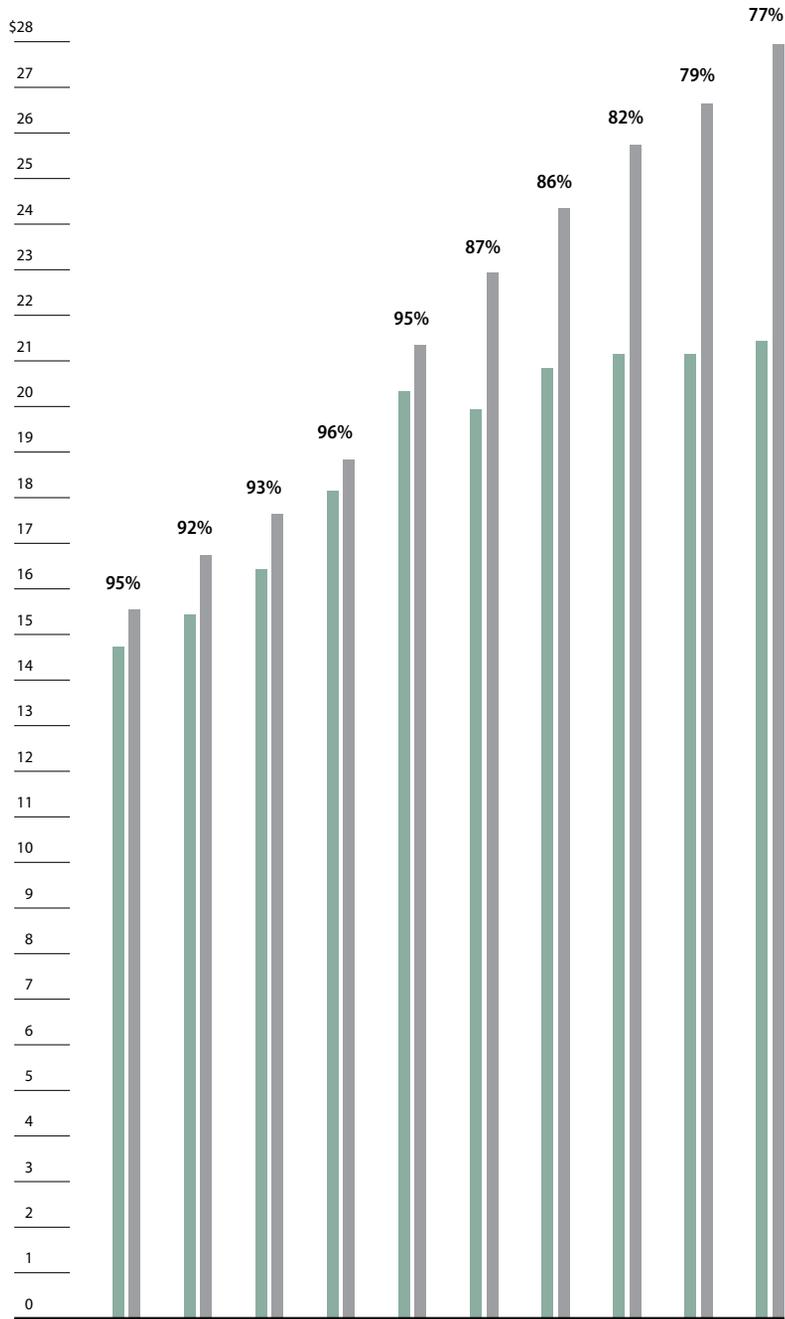
Vermillion Asset Management
267 Fifth Avenue
New York NY 10016
(Short, Medium, and Long Horizon Funds)

Waddell & Reed Asset Management Group
6300 Lamar Avenue
Shawnee Mission, KS 66201
(Balanced Fund, Large Cap Stock Growth Fund, and Short, Medium, and Long Horizon Funds)

All Retirement Systems

Funding Progress with Funding Ratios

(dollars in billions)



(dollars in billions)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------|--------|------|------|------|------|------|------|------|------|------|
| Actuarial value of assets | \$14.7 | 15.4 | 16.4 | 18.1 | 20.3 | 19.9 | 20.8 | 21.1 | 21.1 | 21.4 |
| Accrued actuarial liability | 15.5 | 16.7 | 17.6 | 18.8 | 21.3 | 22.9 | 24.3 | 25.7 | 26.6 | 27.9 |
| Funding Ratios | 95% | 92% | 93% | 96% | 95% | 87% | 86% | 82% | 79% | 77% |

Utah Retirement Systems
Comprehensive
Annual Financial Report



Actuarial
SECTION

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| 151 | Changes in Plan Provisions |
| 152 | Summary of Defined Contribution Savings Plans Provisions |

Utah Retirement Systems

Actuary's Certification Letter



5605 N. MacArthur Blvd. 469.524.0000 phone
Suite 870 469.524.0003 fax
Irving, TX 75038-2631 www.gabrielroeder.com

August 9, 2012

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

Dear Members of the Board:

Subject: Certification of 2012 Actuarial Valuation

This letter certifies that the actuarial valuation report describes the current actuarial condition of the Utah Retirement Systems (URS), determines the calculated employer contribution rates, and analyzes changes in these contribution rates. In addition, the valuation report provides information required by URS in connection with Governmental Accounting Standards Board Statement No 25 (BASB 25), and it provides various summaries of data. Valuations are prepared annually as of January 1, the first day of the URS plan year. This letter was prepared at the request of the Board and is intended for use for the annual Consolidated Annual Financial Report.

Under URS statutes, the Board of Trustees must certify employer contribution rates annually. These rates are determined actuarially, based on the Board's funding policy, although, as discussed below, under certain circumstances the Board may choose not to reduce the current rate if it is greater than the actuarially calculated rate. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. In other words, the rates determined by this January 1, 2012, actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2013, and ending June 30, 2014. If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the calculated rates before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Financing objectives and funding policy

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

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

To accomplish this, the Board's funding policy requires that the employer contribution rate be at least equal to the sum of

the employer normal cost rate (which pays the current year's cost) and an amortization rate which results in the amortization of the UAAL over 25 years in installments that increase at the assumed rate of growth in payroll for URS, currently 3.50%. The 25-year amortization period is measured from January 1, 2009, so 22 years remain at the current valuation date.

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

Section 49-11-301(5) to the Utah Code allows the Board to set the employer contribution rate at the prior year's rate, if the rate otherwise would decrease and if the funded ratio is less than 110%. In such a case, the rate set by the Board would be higher than the actuarially determined contribution rate. The purpose of this legislation is to enhance the Board's ability to maintain more-level contribution rates while targeting a 100% - 110% funded level. The Board has historically followed this policy, so for some funds the recommended contribution rate may be greater than the actuarially determined rate. This year, however, for almost all funds, the actuarially-determined contribution rates were larger than the rates being paid in FY 2013.

Progress toward realization of financing objectives

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

For all systems on a combined basis, the funded ratio decreased from 82.7% to 79.5%. This decrease was primarily due to the recognition of an additional 20% of the extraordinary investment loss that occurred in 2008. Absent favorable experience, we expect the funded ratio will decrease next year as the last of the 2008 investment loss is recognized in the development of the actuarial value of assets.

If market value had been used in the calculation instead of actuarial value, the aggregate funded ratio for all funds combined would have been 75.1%, compared to 77.3% in the prior year. The decrease in funded ratio on a market value basis is due to asset returns being less than expected. In particular, the investment return during 2011 on a market value basis was 2.5%, which provided \$977 million less in assets than was expected.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2012, or which were adopted by the end of the 2012 legislative session and are effective on or before July 1, 2013. There were no changes made since the previous valuation that had a measurable effect on the current

Actuary's Certification Letter *(Concluded)*

valuation. However, it is worth noting the status of an older piece of legislation.

SB 19 was passed during the 2008 legislative session. This law opened a window to allow employers of the Public Safety Retirement Systems to adopt a 4% maximum COLA in lieu of the current 2.5% maximum COLA. Adoption of the 4% maximum COLA was mandatory for the State of Utah. This window for making the election will close on December 31, 2012. This legislation is reflected in the valuation only for those units that made the election by December 31, 2011. Supplemental information will be provided to URS so that URS can adjust the contribution rates for employers electing the 4% COLA before the election window closes at the end of this calendar year. There were no public safety units that elected to adopt the optional 4% COLA during either 2010 or 2011.

Employees hired after June 30, 2011, participate in the New Public Employees' Tier 2 Retirement System. Employers continue to contribute the amortization rate to the Tier 1 systems on the pay for Tier 2 members. Therefore, the unfunded actuarial accrued liability of the Tier 1 systems are financed over the combined payroll of Tier 1 and Tier 2 members.

For purposes of determining the pension accounting cost, or ARC, under Governmental Accounting Standards Board Statement No. 25 (GASB 25), it is appropriate to calculate the amortization cost as a level percentage of increasing payroll. However, for purposes of determining the ARC only payroll on the Tier 1 and Tier 2 Hybrid Retirement System is considered. The ARC for each fund is equal to the contribution rates used for funding purposes, but the amortization period of the ARC may be different than that used to determine the contribution rate for funding purposes. However, the amortization period for the ARC is still less than the maximum 30-year period allowed under GASB 25.

Assumptions and methods

The actuarial assumptions and methods used to perform this valuation remain unchanged from the prior valuation, including the use of a 7.50% investment return assumption. The actuary reviews the investment return assumption each year and provides consultation to the Board regarding its appropriateness. The Board has the authority to change this assumption each year. The Board, under the actuary's advisement, decreased the investment return assumption to 7.50% in 2011. It is our opinion that a 7.50% investment return assumption continues to be appropriate for performing the January 1, 2012, actuarial valuation.

The demographic assumptions are reviewed in detail every three years. The next experience analysis to review the demographic assumptions is scheduled for 2014.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates

from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities and calculated contribution rates.

It is our opinion that the recommended assumptions are internally consistent and are reasonably based on past and anticipated future experience of the System. The actuarial assumptions and methods used in this report comply with the parameters for disclosure that appear in GASB 25.

Data

Member data for retired, active and inactive members was supplied as of December 31, 2011 by the URS staff. The staff also supplied asset information as of December 31, 2011. 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. GRS is not responsible for the accuracy or completeness of the information provided to us by URS.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2012. We prepared the accompanying Summary of Actuarial Assumptions and Methods, but the URS staff prepared the other supporting schedules in this section and the trend tables in the financial section based on information supplied in our report. The staff rolls forward to December 31 the actuarial liabilities supplied in our report as of January 1, and the staff computes the actuarial value of assets as of December 31. These procedures have been reviewed by us and found reasonable.

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

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

Sincerely,



Lewis Ward, Consultant



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

Gabriel Roeder Smith & Company

Utah Retirement Systems

Summary of Actuarial Assumptions and Methods

As of January 1, 2012



- a)** The actuarial valuation was prepared using the entry age actuarial cost method. As described in the certification letter, the contribution rates are set based on the board's funding policy, which states the contribution rate will not be less than the amount needed to amortize the unfunded actuarial accrued liability of each System over a 22-year period from the valuation date (January 1, 2012).

In calculating this minimum, amortization payments are designed to remain level as a percent of payroll, and payroll is assumed to increase 3.5% per year. Under this method, actuarial gains and losses are identified and amortized as part of the unfunded actuarial accrued liability over a 22-year period.

- b)** The future investment earnings of the assets of the Systems are assumed to accrue at an annual rate of 7.50%, compounded annually. This rate is made up of a 2.75% assumed inflation rate and a 4.75% assumed real rate of return. This assumption was adopted January 1, 2011.
- c)** The total rates of assumed annual salary increase are shown on the actuarial schedule on page 129. The rates include increases due to promotion and longevity and a 3.75% per annum rate of increase in the general wage level of the membership. Salaries of judges are assumed to increase at 3.75%. All of these assumptions were adopted January 1, 2011.
- d)** 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% or 2.75%. All other Systems' annual increases are assumed to be 2.75%. Increases are based on the member's original retirement allowance except in the Judges Retirement System where increases are compounded. For current retirees who have received cumulative COLAs less than the total of annual CPI increases since retirement, higher COLAs are assumed, subject to the annual maximum (2.5% or 4% for Public Safety and 4% for all other Systems), as long as the member has "banked" CPI increases left.
- e)** Tables of mortality rates for male members retired for service and beneficiaries (except educators) were developed from a standard mortality table. Mortality rates for male retired educators were developed from actual experience of that group. Mortality rates for female members retired for service and beneficiaries were developed from actual experience of the female educators. The mortality basis is dependent upon the member's class and gender as shown on page 125. These base rates are adjusted for

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2012

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)
Women EDUF (107%)

Public Safety and Firefighters

Men RP 2000mWC (100%)
Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)
Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

future improvement in mortality using published Scale AA projected from the year 2000. These rates were adopted January 1, 2012. Mortality rates for active members were developed from actual experience of that group and were adopted effective January 1, 2008.

- f) Mortality among disabled members is based on a special 1981 Disability Table developed from the Systems' experience. The rates for males and females are also adjusted for future improvement in mortality using published Scale AA projected from the year 2000.
- g) Other demographic assumptions regarding retirement, mortality, disablement, and termination from employment are illustrated in the following actuarial schedules.

The retirement assumptions illustrated are for members of the Systems who are eligible to retire with 30 years of service. For public employees the rates vary by age and eligibility for reduced or unreduced retirement. For Public Safety, Firefighters, and Judges the rates vary by age and service groupings.

Rates of assumed termination from employment are assumed to vary by years of service. 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.

- h) The Retirement Board uses the expected rate of return method for calculating the actuarial value of assets. This method is based on the total earnings of the commingled investments and spreads the excess/shortfall of actual investment returns over or under the expected return over five years. One-fifth of the excess/shortfall is recognized each year. The actuarial values of assets under this method were calculated and reported to us by the Systems' staff.
- i) All of the actuarial assumptions were renewed or adopted by the Retirement Board in 2012, as recommended by the actuary. The assumptions for Tier 2 members are the same as the Tier 1 members, except for retirement rates. The Tier 2 assumptions were adopted in 2012, as recommended by the actuary.



Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2012

| | Retirement Age | Percent Retiring Within Next Year Among Active Members | | | | | | | Governors and Legislators Retirement Plan |
|--|----------------|--|--------|---------------------------|---------------------------|--------|---------------------------|--------|---|
| | | Eligible for Retirement | | | | | | | |
| | | Male | | | Female | | | | |
| | | State and School Division | | Local Government Division | State and School Division | | Local Government Division | | |
| | Educators | Public Employees | | Educators | Public Employees | | | | |
| Tier 1 | 50 | 20.00% | 16.00% | 18.00% | 20.00% | 22.00% | 25.00% | 0.00% | |
| Noncontributory and Contributory Retirement Systems | 51 | 20.00 | 16.00 | 18.00 | 25.00 | 22.00 | 25.00 | 0.00 | |
| <i>Adopted January 1, 2011</i> | 52 | 20.00 | 16.00 | 18.00 | 25.00 | 22.00 | 25.00 | 0.00 | |
| | 53 | 20.00 | 16.00 | 18.00 | 25.00 | 22.00 | 25.00 | 0.00 | |
| | 54 | 20.00 | 16.00 | 18.00 | 25.00 | 22.00 | 25.00 | 0.00 | |
| | 55 | 20.00 | 18.00 | 18.00 | 25.00 | 22.00 | 30.00 | 0.00 | |
| | 56 | 20.00 | 18.00 | 18.00 | 25.00 | 22.00 | 30.00 | 0.00 | |
| | 57 | 20.00 | 18.00 | 18.00 | 25.00 | 22.00 | 30.00 | 0.00 | |
| | 58 | 20.00 | 18.00 | 18.00 | 27.50 | 22.00 | 30.00 | 0.00 | |
| | 59 | 25.00 | 18.00 | 18.00 | 27.50 | 22.00 | 30.00 | 0.00 | |
| | 60 | 27.50 | 23.00 | 25.00 | 35.00 | 32.00 | 40.00 | 0.00 | |
| | 61 | 27.50 | 23.00 | 25.00 | 35.00 | 32.00 | 40.00 | 0.00 | |
| | 62 | 35.00 | 35.00 | 30.00 | 35.00 | 32.00 | 40.00 | 100.00 | |
| | 63 | 35.00 | 30.00 | 30.00 | 35.00 | 32.00 | 40.00 | 100.00 | |
| | 64 | 35.00 | 30.00 | 30.00 | 35.00 | 32.00 | 40.00 | 100.00 | |
| | 65 | 35.00 | 30.00 | 30.00 | 35.00 | 32.00 | 30.00 | 100.00 | |
| | 66 | 27.50 | 30.00 | 30.00 | 35.00 | 32.00 | 30.00 | 100.00 | |
| | 67 | 27.50 | 25.00 | 20.00 | 25.00 | 25.00 | 20.00 | 100.00 | |
| | 68 | 27.50 | 25.00 | 20.00 | 25.00 | 25.00 | 20.00 | 100.00 | |
| | 69 | 27.50 | 20.00 | 20.00 | 25.00 | 25.00 | 20.00 | 100.00 | |
| | 70 | 20.00 | 20.00 | 20.00 | 20.00 | 25.00 | 20.00 | 100.00 | |
| | 71 | 20.00 | 15.00 | 15.00 | 20.00 | 15.00 | 15.00 | 100.00 | |
| | 72 | 20.00 | 15.00 | 15.00 | 20.00 | 15.00 | 15.00 | 100.00 | |
| | 73 | 20.00 | 15.00 | 15.00 | 20.00 | 15.00 | 15.00 | 100.00 | |
| | 74 | 20.00 | 15.00 | 15.00 | 20.00 | 15.00 | 15.00 | 100.00 | |
| | 75 | 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 | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age |
| Tier 1 | 45 | 20.00% | 50 | 20.00% | 55 | 25.00% | 59 | 25.00% | 63 | 35.00% | 67 | 50.00% |
| Public Safety Retirement System | 46 | 20.00 | 51 | 22.00 | 56 | 25.00 | 60 | 25.00 | 64 | 35.00 | 68 | 50.00 |
| <i>Adopted January 1, 2011</i> | 47 | 20.00 | 52 | 22.00 | 57 | 25.00 | 61 | 30.00 | 65 | 50.00 | 69 | 50.00 |
| | 48 | 20.00 | 53 | 22.00 | 58 | 25.00 | 62 | 35.00 | 66 | 50.00 | 70 | 100.00 |
| | 49 | 20.00 | 54 | 22.00 | | | | | | | | |

| | 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 | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age |
| Tier 1 | 45 | 16.00% | 50 | 16.00% | 55 | 18.00% | 59 | 18.00% | 63 | 40.00% | 67 | 60.00% |
| Firefighters Retirement System | 46 | 16.00 | 51 | 16.00 | 56 | 18.00 | 60 | 40.00 | 64 | 40.00 | 68 | 60.00 |
| <i>Adopted January 1, 2011</i> | 47 | 16.00 | 52 | 16.00 | 57 | 18.00 | 61 | 40.00 | 65 | 60.00 | 69 | 60.00 |
| | 48 | 16.00 | 53 | 16.00 | 58 | 18.00 | 62 | 40.00 | 66 | 60.00 | 70 | 100.00 |
| | 49 | 16.00 | 54 | 16.00 | | | | | | | | |

| | 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 | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age |
| Judges Retirement System | 45 | 20.00% | 50 | 20.00% | 55 | 20.00% | 59 | 20.00% | 63 | 20.00% | 67 | 20.00% |
| <i>Adopted January 1, 2011</i> | 46 | 20.00 | 51 | 20.00 | 56 | 20.00 | 60 | 20.00 | 64 | 20.00 | 68 | 20.00 |
| | 47 | 20.00 | 52 | 20.00 | 57 | 20.00 | 61 | 20.00 | 65 | 20.00 | 69 | 20.00 |
| | 48 | 20.00 | 53 | 20.00 | 58 | 20.00 | 62 | 20.00 | 66 | 20.00 | 70 | 100.00 |
| | 49 | 20.00 | 54 | 20.00 | | | | | | | | |

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2012

| Retirement Age | Percent Retiring Within Next Year Among Active Members | | | | | | | |
|---|--|-----------|---------------------------|---------------------------|--------|---------------------------|--------|---|
| | Eligible for Retirement | | | | | | | Governors and Legislators Retirement Plan |
| | Male | | | Female | | | | |
| | State and School Division | | Local Government Division | State and School Division | | Local Government Division | | |
| Educators | Public Employees | Educators | | Public Employees | | | | |
| Tier 2 | 50 | 20.00% | 16.00% | 18.00% | 20.00% | 22.00% | 25.00% | 0.00% |
| Public Employees Retirement System | 51 | 20.00 | 16.00 | 18.00 | 25.00 | 22.00 | 25.00 | 0.00 |
| <i>Adopted January 1, 2012</i> | 52 | 20.00 | 16.00 | 18.00 | 25.00 | 22.00 | 25.00 | 0.00 |
| | 53 | 20.00 | 16.00 | 18.00 | 25.00 | 22.00 | 25.00 | 0.00 |
| | 54 | 20.00 | 16.00 | 18.00 | 25.00 | 22.00 | 25.00 | 0.00 |
| | 55 | 20.00 | 18.00 | 18.00 | 25.00 | 22.00 | 30.00 | 0.00 |
| | 56 | 20.00 | 18.00 | 18.00 | 25.00 | 22.00 | 30.00 | 0.00 |
| | 57 | 20.00 | 18.00 | 18.00 | 25.00 | 22.00 | 30.00 | 0.00 |
| | 58 | 20.00 | 18.00 | 18.00 | 27.50 | 22.00 | 30.00 | 0.00 |
| | 59 | 25.00 | 18.00 | 18.00 | 27.50 | 22.00 | 30.00 | 0.00 |
| | 60 | 27.50 | 23.00 | 25.00 | 35.00 | 32.00 | 40.00 | 0.00 |
| | 61 | 27.50 | 23.00 | 25.00 | 35.00 | 32.00 | 40.00 | 0.00 |
| | 62 | 35.00 | 35.00 | 30.00 | 35.00 | 32.00 | 40.00 | 100.00 |
| | 63 | 35.00 | 30.00 | 30.00 | 35.00 | 32.00 | 40.00 | 100.00 |
| | 64 | 35.00 | 30.00 | 30.00 | 35.00 | 32.00 | 40.00 | 100.00 |
| | 65 | 35.00 | 30.00 | 30.00 | 35.00 | 32.00 | 30.00 | 100.00 |
| | 66 | 27.50 | 30.00 | 30.00 | 35.00 | 32.00 | 30.00 | 100.00 |
| | 67 | 27.50 | 25.00 | 20.00 | 25.00 | 25.00 | 20.00 | 100.00 |
| | 68 | 27.50 | 25.00 | 20.00 | 25.00 | 25.00 | 20.00 | 100.00 |
| | 69 | 27.50 | 20.00 | 20.00 | 25.00 | 25.00 | 20.00 | 100.00 |
| | 70 | 20.00 | 20.00 | 20.00 | 20.00 | 25.00 | 20.00 | 100.00 |
| | 71 | 20.00 | 15.00 | 15.00 | 20.00 | 15.00 | 15.00 | 100.00 |
| | 72 | 20.00 | 15.00 | 15.00 | 20.00 | 15.00 | 15.00 | 100.00 |
| | 73 | 20.00 | 15.00 | 15.00 | 20.00 | 15.00 | 15.00 | 100.00 |
| | 74 | 20.00 | 15.00 | 15.00 | 20.00 | 15.00 | 15.00 | 100.00 |
| | 75 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

Retirement rates at the age the member is first eligible for an unreduced retirement benefit is increased by 30%.

| Retirement Age | 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 | Retirement Age | Retirement Age | Retirement Age | | |
| Tier 2 Public Safety and Firefighters Retirement System | 45 | 15.00% | 50 | 15.00% | 55 | 15.00% | 59 | 15.00% | 63 | 35.00% | 67 | 50.00% |
| | 46 | 15.00 | 51 | 15.00 | 56 | 15.00 | 60 | 25.00 | 64 | 35.00 | 68 | 50.00 |
| Public Safety | 47 | 15.00 | 52 | 15.00 | 57 | 15.00 | 61 | 30.00 | 65 | 50.00 | 69 | 50.00 |
| <i>Adopted January 1, 2012</i> | 48 | 15.00 | 53 | 15.00 | 58 | 15.00 | 62 | 35.00 | 66 | 50.00 | 70 | 100.00 |
| | 49 | 15.00 | 54 | 15.00 | | | | | | | | |

| Retirement Age | 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 | Retirement Age | Retirement Age | Retirement Age | | |
| Firefighters | 45 | 9.60% | 50 | 9.60% | 55 | 10.80% | 59 | 10.80% | 63 | 40.00% | 67 | 60.00% |
| <i>Adopted January 1, 2012</i> | 46 | 9.60 | 51 | 9.60 | 56 | 10.80 | 60 | 40.00 | 64 | 40.00 | 68 | 60.00 |
| | 47 | 9.60 | 52 | 9.60 | 57 | 10.80 | 61 | 40.00 | 65 | 60.00 | 69 | 60.00 |
| | 48 | 9.60 | 53 | 9.60 | 58 | 10.80 | 62 | 40.00 | 66 | 60.00 | 70 | 100.00 |
| | 49 | 9.60 | 54 | 9.60 | | | | | | | | |

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 2012

| | Years of Service | Other Termination of Employment Percent of Active Members Separating Within Next Year | | | | | | | Governors and Legislators Retirement Plan |
|--|------------------|---|------------------|---------------------------|---------------------------|------------------|---------------------------|--------|---|
| | | Male | | | Female | | | | |
| | | State and School Division | | Local Government Division | State and School Division | | Local Government Division | | |
| | | Educators | Public Employees | | Educators | Public Employees | | | |
| Noncontributory and Contributory Retirement Systems <i>Adopted January 1, 2011</i> | 0 | 13.00% | 27.00% | 19.00% | 17.00% | 25.00% | 22.00% | 10.00% | |
| | 1 | 11.00 | 24.50 | 15.00 | 16.00 | 21.00 | 18.00 | 10.00 | |
| | 2 | 9.00 | 15.00 | 11.00 | 14.50 | 17.00 | 14.00 | 10.00 | |
| | 3 | 7.50 | 12.00 | 9.00 | 12.50 | 14.00 | 12.00 | 10.00 | |
| | 4 | 6.50 | 10.00 | 8.00 | 10.00 | 11.00 | 11.00 | 10.00 | |
| | 5 | 5.00 | 9.00 | 7.00 | 8.50 | 9.50 | 9.75 | 10.00 | |
| | 6 | 4.00 | 8.00 | 6.00 | 7.00 | 8.25 | 8.25 | 10.00 | |
| | 7 | 3.00 | 7.00 | 5.50 | 5.50 | 7.00 | 7.50 | 10.00 | |
| | 8 | 2.75 | 6.00 | 4.75 | 4.50 | 6.50 | 6.75 | 10.00 | |
| | 9 | 2.50 | 4.50 | 4.00 | 4.00 | 6.00 | 6.25 | 10.00 | |
| | 10 | 2.50 | 4.25 | 3.50 | 3.25 | 5.50 | 5.50 | 10.00 | |
| | 11 | 2.25 | 4.00 | 3.25 | 2.75 | 4.75 | 4.75 | 10.00 | |
| | 12 | 2.25 | 3.75 | 3.00 | 2.00 | 4.50 | 4.25 | 10.00 | |
| | 13 | 2.00 | 3.50 | 3.00 | 2.00 | 4.25 | 4.00 | 10.00 | |
| | 14 | 2.00 | 3.00 | 3.00 | 2.00 | 3.75 | 3.75 | 10.00 | |
| | 15 | 1.75 | 2.50 | 2.75 | 2.00 | 3.50 | 3.50 | 10.00 | |
| | 16 | 1.75 | 2.25 | 2.75 | 2.00 | 3.00 | 3.25 | 10.00 | |
| | 17 | 1.75 | 2.00 | 2.75 | 1.80 | 2.75 | 3.00 | 10.00 | |
| | 18 | 1.50 | 1.75 | 2.50 | 1.70 | 2.75 | 2.75 | 10.00 | |
| | 19 | 0.50 | 1.75 | 2.50 | 1.60 | 2.75 | 2.50 | 10.00 | |
| | 20 | 0.50 | 1.75 | 2.00 | 1.40 | 2.75 | 2.25 | 10.00 | |
| | 21 | 0.50 | 1.50 | 2.00 | 1.30 | 2.00 | 2.00 | 10.00 | |
| | 22 | 0.50 | 1.25 | 1.75 | 0.75 | 1.50 | 1.75 | 10.00 | |
| | 23 | 0.50 | 1.00 | 1.50 | 0.75 | 1.25 | 1.50 | 10.00 | |
| | 24 | 0.50 | 0.75 | 1.25 | 0.75 | 1.00 | 1.25 | 10.00 | |
| | 25+ | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10.00 | |

| | Other Termination of Employment of Active Members Separating Within Next Year | | | | | | | | | |
|--|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service |
| Public Safety Retirement System <i>Adopted January 1, 2011</i> | 0 | 10.00% | 5 | 4.75% | 9 | 3.25% | 13 | 2.25% | 17 | 1.50% |
| | 1 | 6.50 | 6 | 4.50 | 10 | 3.00 | 14 | 2.00 | 18 | 1.25 |
| | 2 | 6.00 | 7 | 4.25 | 11 | 2.75 | 15 | 1.75 | 19 | 1.00 |
| | 3 | 5.50 | 8 | 3.75 | 12 | 2.50 | 16 | 1.50 | 20+ | 0.00 |
| | 4 | 5.00 | | | | | | | | |

| | Other Termination of Employment of Active Members Separating Within Next Year | | | | | | | | | |
|---|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service | Years of Service |
| Firefighters Retirement System <i>Adopted January 1, 2011</i> | 0 | 8.25% | 5 | 2.50% | 9 | 1.50% | 13 | 0.50% | 17 | 0.50% |
| | 1 | 3.50 | 6 | 1.50 | 10 | 1.50 | 14 | 0.50 | 18 | 0.50 |
| | 2 | 3.00 | 7 | 1.50 | 11 | 1.50 | 15 | 0.50 | 19 | 0.50 |
| | 3 | 3.00 | 8 | 1.50 | 12 | 0.50 | 16 | 0.50 | 20+ | 0.00 |
| | 4 | 2.50 | | | | | | | | |

| Other Termination of Employment of Active Members Separating Within Next Year | |
|---|---------------|
| Judges Retirement System <i>Adopted January 1, 1993</i> | None assumed. |

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2012

| | Years of Service | Total Annual Increase in Salary (Male and Female) | | | | | |
|--|------------------|--|---------------------------------------|---------------------------|---------------------------------|---------------------------------------|--|
| | | State and School Division | | Local Government Division | Public Safety Retirement System | Firefighters Retirement System | |
| | | Educators | Public Employees | | | | |
| All Retirement Systems <i>Adopted January 1, 2011</i> | 0 | 10.75% | 9.00% | 9.75% | 9.25% | 9.75% | |
| | 1 | 10.00 | 8.25 | 8.25 | 7.50 | 9.25 | |
| | 2 | 9.00 | 7.25 | 7.50 | 7.00 | 9.00 | |
| | 3 | 8.50 | 6.50 | 7.00 | 6.50 | 8.75 | |
| | 4 | 8.25 | 6.25 | 6.50 | 6.50 | 8.50 | |
| | 5 | 7.75 | 5.75 | 6.25 | 6.25 | 8.25 | |
| | 6 | 7.75 | 5.50 | 6.00 | 6.25 | 8.25 | |
| | 7 | 7.50 | 5.25 | 5.75 | 6.00 | 7.75 | |
| | 8 | 7.25 | 5.25 | 5.50 | 5.75 | 7.50 | |
| | 9 | 7.00 | 5.00 | 5.50 | 5.75 | 7.25 | |
| | 10 | 6.50 | 5.00 | 5.25 | 5.75 | 6.75 | |
| | 11 | 6.00 | 4.75 | 5.00 | 5.25 | 6.00 | |
| | 12 | 5.50 | 4.75 | 5.00 | 5.00 | 5.50 | |
| | 13 | 5.00 | 4.75 | 4.75 | 5.00 | 5.50 | |
| | 14 | 4.75 | 4.50 | 4.75 | 4.75 | 5.50 | |
| | 15 | 4.50 | 4.25 | 4.75 | 4.75 | 5.00 | |
| | 16 | 4.50 | 4.25 | 4.50 | 4.75 | 5.00 | |
| | 17 | 4.25 | 4.25 | 4.50 | 4.50 | 4.75 | |
| | 18 | 4.25 | 4.25 | 4.50 | 4.50 | 4.75 | |
| | 19 | 4.25 | 4.25 | 4.50 | 4.50 | 4.50 | |
| | 20 | 4.25 | 4.00 | 4.25 | 4.50 | 4.50 | |
| | 21 | 4.25 | 4.00 | 4.00 | 4.50 | 4.25 | |
| | 22 | 4.00 | 4.00 | 4.00 | 4.50 | 4.00 | |
| | 23 | 4.00 | 4.00 | 3.75 | 4.00 | 3.75 | |
| | 24 | 4.00 | 3.75 | 3.75 | 4.00 | 3.75 | |
| | 25+ | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | |
| Probability Mortality Within the Next Year for Active Members | | | | | | | |
| | Age | Male | | | | Female | |
| | | Educators | Local Government and Public Employees | | Educators | Local Government and Public Employees | |
| | | | | | | | |
| Noncontributory and Contributory Retirement Systems <i>Adopted January 1, 2008</i> | 20 | 0.0130% | 0.0495% | | 0.0490% | 0.0275% | |
| | 25 | 0.0130 | 0.0385 | | 0.0210 | 0.0275 | |
| | 30 | 0.0195 | 0.0440 | | 0.0070 | 0.0275 | |
| | 35 | 0.0195 | 0.0660 | | 0.0210 | 0.0330 | |
| | 40 | 0.0390 | 0.0825 | | 0.0420 | 0.0440 | |
| | 45 | 0.0650 | 0.1045 | | 0.0840 | 0.0660 | |
| | 50 | 0.1300 | 0.1540 | | 0.1260 | 0.1045 | |
| | 55 | 0.2340 | 0.2585 | | 0.1750 | 0.1540 | |
| | 60 | 0.3705 | 0.4180 | | 0.2380 | 0.2200 | |
| | 65 | 0.4680 | 0.6380 | | 0.3290 | 0.3025 | |
| | 70 | 0.5200 | 0.9130 | | 0.4550 | 0.4015 | |

Summary of Actuarial Assumptions and Methods *(Concluded)*

As of January 1, 2012

| | Years of Service | Percent Electing a Refund of Contributions Upon Termination While Vested | | | | | |
|--|------------------|--|------------------|---------------------------|-----------|------------------|---------------------------|
| | | Male | | | Female | | |
| | | Educators | Public Employees | Local Government Division | Educators | Public Employees | Local Government Division |
| Noncontributory and Contributory 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 | | | | | |
|---|---|---------|-----|---------|-----|---------|
| | Public Safety and Firefighters Employees | | | | | |
| | Age | | Age | | Age | |
| Public Safety Retirement System and Firefighters Retirement System | 20 | 0.0440% | 40 | 0.0605% | 60 | 0.3740% |
| <i>Adopted January 1, 2008</i> | 25 | 0.0440 | 45 | 0.1045 | 65 | 0.4730 |
| | 30 | 0.0440 | 50 | 0.1760 | 70 | 0.5665 |
| | 35 | 0.0440 | 55 | 0.2750 | | |

| | Percent Electing a Refund of Contributions Upon Termination While Vested | | | |
|---|--|------|------------------|-----|
| | Public Safety and Firefighters Retirement Employees | | | |
| | Years of Service | | Years of Service | |
| Public Safety Retirement System and Firefighters Retirement System | 0-3 | 100% | 15 | 35% |
| <i>Adopted January 1, 1993</i> | 4 | 76 | 19 | 15 |
| | 5 | 74 | 20 | 0 |
| | 10 | 57 | | |

Analysis of Financial Experience

(in thousands)

| System | January 1, 2011 Unfunded Actuarial Accrued Liability | Amortization Payments | Liability (Gain) Loss | Asset (Gain) Loss | Changes in Actuarial Assumptions | Change in Benefit Provisions | Asset Transfers | January 1, 2012 Unfunded Actuarial Accrued Liability |
|--|--|--------------------------|-----------------------------|-------------------------|--|------------------------------------|--------------------|--|
| Noncontributory | \$3,536,068 | 99,961 | (262,559) | 1,026,309 | — | — | 55,112 | 4,454,891 |
| Contributory | 118,751 | 2,985 | (8,965) | 76,132 | — | — | (55,112) | 133,791 |
| Public Safety | 649,739 | 19,309 | (72,761) | 129,992 | — | — | — | 726,279 |
| Firefighters | 61,917 | 3,389 | (22,829) | 50,158 | — | — | — | 92,635 |
| Judges | 35,712 | 1,757 | (8,270) | 8,222 | — | — | — | 37,421 |
| Utah Governors and Legislators | 1,316 | 60 | 348 | 740 | — | — | — | 2,464 |
| Tier 2 Public Employees | — | — | 213 | 9 | — | — | — | 222 |
| Tier 2 Public Safety and Firefighters | — | — | 10 | 1 | — | — | — | 11 |

Member and Employer Contribution Rates

As of December 31

| System | Year | Contributory | | | Noncontributory | |
|--|---|--------------|------------------|------------------|-----------------|----------|
| | | Member | Employer | | Employer | Employer |
| | | | State and School | Local Government | | |
| Noncontributory and Contributory Retirement Systems | 2003 | 6.00% | 7.21% | 5.61% | 11.70% | 9.62% |
| | 2004 | 6.00 | 8.89 | 7.08 | 13.38 | 11.09 |
| | 2005 | 6.00 | 8.89 | 7.08 | 13.38 | 11.09 |
| | 2006 | 6.00 | 9.73 | 7.58 | 14.22 | 11.59 |
| | 2007 | 6.00 | 9.73 | 7.61 | 14.22 | 11.62 |
| | 2008 | 6.00 | 9.73 | 7.61 | 14.22 | 11.62 |
| | 2009 | 6.00 | 9.73 | 7.65 | 14.22 | 11.66 |
| | 2010 | 6.00 | 11.83 | 9.36 | 16.32 | 13.37 |
| | 2011 | 6.00 | 12.37 | 9.76 | 16.86 | 13.77 |
| | 2012 | 6.00 | 14.27 | 12.03 | 18.76 | 16.04 |
| | Firefighters Retirement System | 2003 | 8.21% | —% | 7.83% | —% |
| 2004 | | 8.61 | — | 7.83 | — | 12.16 |
| 2005 | | 8.61 | — | 7.83 | — | 12.16 |
| 2006 | | 10.84 | — | 8.72 | — | 12.08 |
| 2007 | | 12.76 | — | 9.30 | — | 11.50 |
| 2008 | | 13.14 | — | 9.68 | — | 11.12 |
| 2009 | | 13.49 | — | 9.68 | — | 12.34 |
| 2010 | | 15.05 | — | 16.18 | — | 11.87 |
| 2011 | | 15.05 | 0.50 | 16.18 | — | 12.29 |
| 2012 | | 15.05 | 2.66 | 16.71 | 2.08 | 11.84 |
| Judges Retirement System | | 2003 | 7.08% | — | 7.08% | 18.06% |
| | 2004 | 2.00 | 5.14 | 7.14 | 19.69 | — |
| | 2005 | 2.00 | 6.26 | 8.26 | 19.19 | — |
| | 2006 | 2.00 | 7.79 | 9.79 | 18.04 | — |
| | 2007 | 2.00 | 10.38 | 12.38 | 15.45 | — |
| | 2008 | 2.00 | 11.51 | 13.51 | 14.32 | — |
| | 2009 | 2.00 | 15.09 | 17.09 | 13.83 | — |
| | 2010 | — | — | 23.72 | 14.08 | — |
| | 2011 | — | — | 25.82 | 14.26 | 153,000 |
| | 2012 | — | — | 32.87 | 14.02 | 214,000 |
| | Utah Governors and Legislators Retirement Plan | 2003 | 7.08% | — | 7.08% | 18.06% |
| 2004 | | 2.00 | 5.14 | 7.14 | 19.69 | — |
| 2005 | | 2.00 | 6.26 | 8.26 | 19.19 | — |
| 2006 | | 2.00 | 7.79 | 9.79 | 18.04 | — |
| 2007 | | 2.00 | 10.38 | 12.38 | 15.45 | — |
| 2008 | | 2.00 | 11.51 | 13.51 | 14.32 | — |
| 2009 | | 2.00 | 15.09 | 17.09 | 13.83 | — |
| 2010 | | — | — | 23.72 | 14.08 | — |
| 2011 | | — | — | 25.82 | 14.26 | 153,000 |
| 2012 | | — | — | 32.87 | 14.02 | 214,000 |

Member and Employer Contribution Rates *(Continued)*

As of December 31

| System | Year | State of Utah | | 2.5% COLA Other Division A (with Social Security) | | 4.0% COLA Other Division A (with Social Security) | | Bountiful | |
|---|------|---------------|----------|---|----------|---|----------|-----------|----------|
| | | Member | Employer | Member | Employer | Member | Employer | Member | Employer |
| Public Safety Retirement System Noncontributory Division A | 2003 | — | 18.94% | — | 16.24% | — | — | — | 18.63% |
| | 2004 | — | 21.15 | — | 19.08 | — | — | — | 19.68 |
| | 2005 | — | 23.46 | — | 19.34 | — | — | — | 19.68 |
| | 2006 | — | 23.46 | — | 22.38 | — | — | — | 19.99 |
| | 2007 | — | 26.75 | — | 22.61 | — | — | — | 22.47 |
| | 2008 | — | 26.75 | — | 22.61 | — | — | — | 22.47 |
| | 2009 | — | 30.18 | — | 23.34 | — | 25.90% | — | 23.07 |
| | 2010 | — | 32.75 | — | 26.13 | — | 28.82 | — | 27.73 |
| | 2011 | — | 34.12 | — | 27.07 | — | 28.82 | — | 29.19 |
| | 2012 | — | 37.29 | — | 30.45 | — | 33.65 | — | 37.16 |

| | | | | | | | | | |
|--|------|--------|--------|--------|-------|--------|--------|---|---|
| Public Safety Retirement System Contributory Division A | 2003 | 12.29% | 10.02% | 12.29% | 4.52% | — | — | — | — |
| | 2004 | 12.29 | 12.50 | 12.29 | 7.70 | — | — | — | — |
| | 2005 | 12.29 | 12.50 | 12.29 | 7.95 | — | — | — | — |
| | 2006 | 12.29 | 15.46 | 12.29 | 11.01 | — | — | — | — |
| | 2007 | 12.29 | 15.46 | 12.29 | 11.22 | — | — | — | — |
| | 2008 | 12.29 | 15.46 | 12.29 | 11.22 | — | — | — | — |
| | 2009 | 12.29 | 19.01 | 12.29 | 12.47 | 12.29% | 15.01% | — | — |
| | 2010 | 12.29 | 21.68 | 12.29 | 14.86 | 12.29 | 18.34 | — | — |
| | 2011 | 12.29 | 22.88 | 12.29 | 15.78 | 12.29 | 18.34 | — | — |
| | 2012 | 12.29 | 25.52 | 12.29 | 19.08 | 12.29 | 22.34 | — | — |

| System | Year | Salt Lake City | | Ogden | | Logan | | Provo | | 2.5% COLA Other Division B (without Soc Sec) | | 4.0% COLA Other Division B (without Soc Sec) | |
|---|------|----------------|----------|--------|----------|--------|----------|--------|----------|--|----------|--|----------|
| | | Member | Employer | Member | Employer | Member | Employer | Member | Employer | Member | Employer | Member | Employer |
| Public Safety Retirement System Noncontributory Division B | 2003 | — | 30.05% | — | 17.98% | — | 17.10% | — | — | — | 19.42% | — | — |
| | 2004 | — | 32.52 | — | 20.85 | — | 20.77 | — | — | — | 22.17 | — | — |
| | 2005 | — | 32.52 | — | 24.30 | — | 21.25 | — | — | — | 22.32 | — | — |
| | 2006 | — | 35.71 | — | 24.30 | — | 25.48 | — | — | — | 25.49 | — | — |
| | 2007 | — | 35.71 | — | 30.44 | — | 25.48 | — | — | — | 25.49 | — | — |
| | 2008 | — | 35.71 | — | 31.47 | — | 25.48 | — | 29.84% | — | 25.49 | — | — |
| | 2009 | — | 35.71 | — | 33.11 | — | 27.74 | — | 30.91 | — | 26.21 | — | 28.73% |
| | 2010 | — | 36.31 | — | 34.93 | — | 31.49 | — | 32.98 | — | 28.24 | — | 32.70 |
| | 2011 | — | 36.71 | — | 36.13 | — | 31.91 | — | 33.05 | — | 28.64 | — | 32.70 |
| | 2012 | — | 41.95 | — | 42.21 | — | 38.18 | — | 38.54 | — | 32.20 | — | 36.97 |

| | | | | | | | | | | | | | |
|--|------|--------|--------|---|---|--------|-------|--------|--------|--------|-------|--------|--------|
| Public Safety Retirement System Contributory Division B | 2003 | 13.74% | 17.61% | — | — | 11.13% | 5.97% | 13.54% | 10.85% | 10.50% | 9.47% | 10.50% | — |
| | 2004 | 13.74 | 19.96 | — | — | 11.13 | 10.03 | 13.54 | 12.22 | 10.50 | 12.35 | 10.50 | — |
| | 2005 | 13.74 | 19.96 | — | — | 11.13 | 10.54 | 13.54 | 12.22 | 10.50 | 12.47 | 10.50 | — |
| | 2006 | 13.74 | 22.99 | — | — | 11.13 | 14.61 | 13.54 | 15.57 | 10.50 | 15.69 | 10.50 | — |
| | 2007 | 13.74 | 22.99 | — | — | 11.13 | 14.61 | 13.54 | 16.30 | 10.50 | 15.69 | 10.50 | — |
| | 2008 | 13.74 | 22.99 | — | — | 11.13 | 14.61 | — | — | 10.50 | 15.69 | 10.50 | — |
| | 2009 | — | — | — | — | 11.13 | 17.81 | — | — | 10.50 | 16.67 | 10.50 | 19.17% |
| | 2010 | — | — | — | — | 11.13 | 20.95 | — | — | 10.50 | 18.98 | 10.50 | 23.22 |
| | 2011 | — | — | — | — | 11.13 | 21.36 | — | — | 10.50 | 19.48 | 10.50 | 23.22 |
| | 2012 | — | — | — | — | 11.13 | 27.95 | — | — | 10.50 | 22.29 | 10.50 | 27.29 |

Member and Employer Contribution Rates (Concluded)

As of December 31

| System | Year | Contributory | | Noncontributory | | | |
|--|------|---|---|---|---|--|--|
| | | Employer | Employer | Employer | Employer | | |
| Tier 2 Public Employees Contributory Retirement System* | | <u>Local Government</u> | <u>State and School</u> | <u>Local Government</u> | | | |
| | 2011 | 12.40% | 12.74% | 10.33% | | | |
| | 2012 | 14.51 | 15.06 | 12.74 | | | |
| Tier 2 Public Safety and Firefighters Contributory Retirement System* | | <u>State of Utah Employer</u> | <u>Bountiful Employer</u> | <u>2.5% COLA Other Division A (with Soc Sec) Employer</u> | <u>4% COLA Other Division A (with Soc Sec) Employer</u> | | |
| | 2011 | 22.06% | 18.15% | 16.27% | 17.18% | | |
| Public Safety Noncontributory Division A | 2012 | 25.46 | 25.89 | 19.25 | 21.94 | | |
| Public Safety Contributory Division A | 2011 | | | 16.27 | 17.47 | | |
| | 2012 | | | 19.25 | 21.94 | | |
| | | <u>Salt Lake City Employer</u> | <u>Ogden Employer</u> | <u>Logan Employer</u> | <u>Provo Employer</u> | <u>Other Division B (without Soc Sec) Employer</u> | <u>Other Division B (without Soc Sec) Employer</u> |
| Public Safety Noncontributory Division B | 2011 | 25.82% | 25.21% | 21.15% | 22.01% | 17.72% | 20.89% |
| | 2012 | 30.47 | 30.78 | 26.59 | 27.08 | 20.71 | 25.05 |
| Public Safety Contributory Division B | 2011 | | | | | 17.72 | 21.06 |
| | 2012 | | | | | 20.71 | 25.05 |
| | | <u>Other Division A (with Social Security) Employer</u> | <u>Other Division B (with Social Security) Employer</u> | | | | |
| Firefighters | 2011 | 10.64% | | 10.64% | | | |
| | 2012 | 11.10 | | 11.10 | | | |

*Includes active member death benefit and Tier 1 amortization rate. Does not include the 401(k) component of the contribution rate.

Solvency Tests

| System | Date | Actuarial Accrued Liabilities | | | | Actuarial Value of Assets | Portion of Actuarial Accrued Liabilities Covered by Assets | | | |
|--|----------|-------------------------------|---------------------------|------------------------------------|-------------------------------------|---------------------------|--|------|------|------|
| | | (1) | (2) | (3) Active | (4) | | (1) | (2) | (3) | (4) |
| | | Active Members Contributions | Retired and Beneficiaries | Member (Employer Financed Portion) | Total Actuarial Accrued Liabilities | | | | | |
| Noncontributory Retirement System | 1/01/04 | \$ 878,125 | 4,587,481 | 6,885,704 | 12,351,310 | 11,657,525 | 100% | 100% | 90% | 94% |
| | 1/01/05 | 850,926 | 5,051,930 | 7,332,588 | 13,235,444 | 12,212,437 | 100 | 100 | 86 | 92 |
| | 1/01/06 | 822,236 | 5,504,555 | 7,691,749 | 14,018,540 | 13,069,362 | 100 | 100 | 88 | 93 |
| | 1/01/07 | 756,008 | 6,285,758 | 8,042,295 | 15,084,061 | 14,446,928 | 100 | 100 | 92 | 96 |
| | 1/01/08 | 728,986 | 7,020,899 | 9,275,300 | 17,025,185 | 16,199,077 | 100 | 100 | 91 | 95 |
| | 1/01/09 | 699,314 | 7,671,008 | 9,936,268 | 18,306,590 | 15,839,461 | 100 | 100 | 75 | 87 |
| | 1/01/10 | 618,209 | 8,347,578 | 10,418,716 | 19,384,503 | 16,619,831 | 100 | 100 | 73 | 86 |
| | 1/01/11 | 575,867 | 8,958,451 | 10,854,441 | 20,388,759 | 16,852,691 | 100 | 100 | 67 | 83 |
| | 1/01/12 | 539,951 | 9,875,383 | 10,845,509 | 21,260,843 | 16,805,952 | 100 | 100 | 62 | 79 |
| | 12/31/12 | 501,228 | 10,382,242 | 11,477,727 | 22,361,197 | 17,007,940 | 100 | 100 | 53 | 76 |
| Contributory Retirement System | 1/01/04 | \$ 283,694 | 409,430 | 289,445 | 982,569 | 913,949 | 100% | 100% | 76% | 93% |
| | 1/01/05 | 296,155 | 407,905 | 309,776 | 1,013,836 | 933,974 | 100 | 100 | 74 | 92 |
| | 1/01/06 | 307,907 | 408,420 | 310,982 | 1,027,309 | 951,540 | 100 | 100 | 76 | 93 |
| | 1/01/07 | 316,492 | 436,812 | 309,663 | 1,062,967 | 1,004,452 | 100 | 100 | 81 | 94 |
| | 1/01/08 | 324,856 | 468,966 | 376,429 | 1,170,251 | 1,102,107 | 100 | 100 | 82 | 94 |
| | 1/01/09 | 334,732 | 520,848 | 362,992 | 1,218,572 | 1,097,711 | 100 | 100 | 67 | 90 |
| | 1/01/10 | 318,205 | 556,495 | 361,309 | 1,236,009 | 1,116,736 | 100 | 100 | 67 | 90 |
| | 1/01/11 | 307,896 | 591,899 | 351,617 | 1,251,412 | 1,132,661 | 100 | 100 | 66 | 91 |
| | 1/01/12 | 308,962 | 630,747 | 329,333 | 1,269,042 | 1,135,251 | 100 | 100 | 64 | 89 |
| | 12/31/12 | 310,046 | 674,961 | 300,965 | 1,285,972 | 1,094,885 | 100 | 100 | 45 | 85 |
| Public Safety Retirement System | 1/01/04 | \$ 81,121 | 742,358 | 733,279 | 1,556,758 | 1,448,888 | 100% | 100% | 85% | 93% |
| | 1/01/05 | 94,259 | 827,157 | 805,369 | 1,726,785 | 1,524,904 | 100 | 100 | 75 | 88 |
| | 1/01/06 | 91,737 | 921,115 | 821,600 | 1,834,452 | 1,633,022 | 100 | 100 | 75 | 89 |
| | 1/01/07 | 90,849 | 1,006,399 | 871,734 | 1,968,982 | 1,809,198 | 100 | 100 | 82 | 92 |
| | 1/01/08 | 90,962 | 1,076,782 | 1,080,132 | 2,247,876 | 2,038,613 | 100 | 100 | 81 | 91 |
| | 1/01/09 | 87,976 | 1,254,909 | 1,130,782 | 2,473,667 | 2,017,576 | 100 | 100 | 60 | 82 |
| | 1/01/10 | 81,677 | 1,345,480 | 1,223,518 | 2,650,675 | 2,137,027 | 100 | 100 | 58 | 81 |
| | 1/01/11 | 76,375 | 1,455,233 | 1,312,493 | 2,844,101 | 2,194,016 | 100 | 100 | 50 | 77 |
| | 1/01/12 | 77,116 | 1,501,102 | 1,370,263 | 2,948,481 | 2,222,202 | 100 | 100 | 49 | 75 |
| | 12/31/12 | 77,231 | 1,593,081 | 1,458,772 | 3,129,084 | 2,283,777 | 100 | 100 | 45 | 73 |
| Firefighters Retirement System | 1/01/04 | \$ 79,177 | 289,194 | 181,007 | 549,378 | 589,502 | 100% | 100% | 100% | 107% |
| | 1/01/05 | 81,754 | 306,927 | 190,210 | 578,891 | 610,688 | 100 | 100 | 100 | 105 |
| | 1/01/06 | 82,292 | 329,322 | 202,745 | 614,359 | 644,496 | 100 | 100 | 100 | 105 |
| | 1/01/07 | 84,670 | 355,518 | 203,577 | 643,765 | 705,051 | 100 | 100 | 100 | 110 |
| | 1/01/08 | 86,624 | 389,586 | 256,619 | 732,829 | 787,663 | 100 | 100 | 100 | 107 |
| | 1/01/09 | 91,583 | 437,796 | 247,243 | 776,622 | 765,871 | 100 | 100 | 96 | 99 |
| | 1/01/10 | 96,734 | 467,284 | 269,826 | 833,844 | 802,576 | 100 | 100 | 88 | 96 |
| | 1/01/11 | 103,678 | 495,985 | 272,470 | 872,133 | 810,216 | 100 | 100 | 77 | 93 |
| | 1/01/12 | 116,064 | 516,105 | 271,230 | 903,399 | 810,764 | 100 | 100 | 70 | 90 |
| | 12/31/12 | 116,966 | 533,305 | 305,397 | 955,668 | 824,060 | 100 | 100 | 59 | 86 |

Solvency Tests *(Concluded)*

| System | Date | Actuarial Accrued Liabilities | | | | Actuarial Value of Assets | Portion of Actuarial Accrued Liabilities Covered by Assets | | | |
|--|----------|-------------------------------|---------------------------|------------------------------------|-------------------------------------|---------------------------|--|------|------|------|
| | | (1) | (2) | (3) Active | (4) | | (1) | (2) | (3) | (4) |
| | | Active Members Contributions | Retired and Beneficiaries | Member (Employer Financed Portion) | Total Actuarial Accrued Liabilities | | | | | |
| Judges Retirement System | 1/01/04 | \$7,873 | 47,713 | 42,316 | 97,902 | 97,412 | 100% | 100% | 99% | 99% |
| | 1/01/05 | 8,058 | 48,904 | 47,248 | 104,210 | 100,814 | 100 | 100 | 93 | 97 |
| | 1/01/06 | 7,893 | 51,524 | 47,545 | 106,962 | 106,374 | 100 | 100 | 99 | 99 |
| | 1/01/07 | 8,209 | 56,363 | 52,555 | 117,127 | 116,879 | 100 | 100 | 100 | 100 |
| | 1/01/08 | 7,342 | 62,724 | 65,313 | 135,379 | 129,847 | 100 | 100 | 92 | 96 |
| | 1/01/09 | 7,738 | 69,534 | 68,693 | 145,965 | 126,120 | 100 | 100 | 71 | 86 |
| | 1/01/10 | 5,802 | 81,582 | 70,919 | 158,303 | 131,491 | 100 | 100 | 62 | 83 |
| | 1/01/11 | 4,309 | 93,548 | 69,724 | 167,581 | 131,869 | 100 | 100 | 49 | 79 |
| | 1/01/12 | 4,367 | 97,460 | 66,155 | 167,982 | 130,561 | 100 | 100 | 47 | 78 |
| | 12/31/12 | 4,376 | 97,606 | 73,835 | 175,817 | 131,217 | 100 | 100 | 40 | 75 |
| Utah Governors and Legislators Retirement Plan | 1/01/04 | \$ 178 | 5,044 | 3,590 | 8,812 | 10,905 | 100% | 100% | 100% | 124% |
| | 1/01/05 | 169 | 4,989 | 3,569 | 8,727 | 10,650 | 100 | 100 | 100 | 122 |
| | 1/01/06 | 147 | 5,268 | 3,559 | 8,974 | 10,587 | 100 | 100 | 100 | 118 |
| | 1/01/07 | 159 | 5,142 | 3,911 | 9,212 | 10,983 | 100 | 100 | 100 | 119 |
| | 1/01/08 | 145 | 5,123 | 4,594 | 9,862 | 11,736 | 100 | 100 | 100 | 119 |
| | 1/01/09 | 119 | 6,508 | 4,355 | 10,982 | 10,841 | 100 | 100 | 97 | 99 |
| | 1/01/10 | 119 | 6,508 | 4,678 | 11,305 | 10,769 | 100 | 100 | 89 | 95 |
| | 1/01/11 | 102 | 6,315 | 5,096 | 11,513 | 10,197 | 100 | 100 | 74 | 89 |
| | 1/01/12 | 107 | 6,482 | 5,440 | 12,029 | 9,565 | 100 | 100 | 56 | 80 |
| | 12/31/12 | 107 | 6,640 | 5,576 | 12,323 | 9,077 | 100 | 100 | 43 | 74 |
| Tier 2 Public Employees Contributory Retirement System* | 1/01/12 | \$ — | — | 3,055 | 3,055 | 2,833 | 100% | 100% | 93% | 93% |
| | 12/31/12 | — | — | 17,890 | 17,890 | 17,818 | 100 | 100 | 100 | 100 |
| Tier 2 Public Safety and Firefighters Contributory Retirement System* | 1/01/12 | \$ — | — | 101 | 101 | 90 | 100% | 100% | 89% | 89% |
| | 12/31/12 | — | — | 1,157 | 1,157 | 1,161 | 100 | 100 | 100 | 100 |

*New systems' additional years will be added as they become available.

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 | |
| Noncontributory Retirement System | 2003 | 380 | 83,156 | \$2,959,347,000 | 35,806 | 0.92% | 1.90% |
| | 2004 | 391 | 85,046 | 3,084,317,000 | 36,643 | 2.34 | 3.30 |
| | 2005 | 401 | 85,637 | 3,165,504,000 | 37,633 | 2.70 | 3.40 |
| | 2006 | 409 | 87,219 | 3,326,392,000 | 37,786 | 0.41 | 2.50 |
| | 2007 | 411 | 89,605 | 3,582,495,000 | 39,584 | 4.76 | 4.20 |
| | 2008 | 416 | 93,576 | 3,871,636,000 | 40,531 | 2.39 | 0.10 |
| | 2009 | 416 | 92,766 | 3,955,040,000 | 41,945 | 3.49 | 2.70 |
| | 2010 | 419 | 92,392 | 3,888,179,000 | 41,854 | (0.22) | 1.50 |
| | 2011 | 430 | 87,901 | 3,900,106,000 | 43,308 | 3.47 | 3.20 |
| | 2012 | 436 | 82,259 | 3,794,929,000 | 44,828 | 3.51 | 2.10 |
| Contributory Retirement System | 2003 | 161 | 3,493 | \$ 139,470,000 | 39,666 | 2.27% | 1.90% |
| | 2004 | 161 | 3,393 | 139,362,000 | 40,821 | 2.91 | 3.30 |
| | 2005 | 161 | 3,198 | 137,730,000 | 41,758 | 2.30 | 3.40 |
| | 2006 | 161 | 3,010 | 133,812,000 | 43,005 | 2.99 | 2.50 |
| | 2007 | 160 | 2,852 | 132,899,000 | 44,865 | 4.33 | 4.20 |
| | 2008 | 158 | 2,743 | 133,110,000 | 46,830 | 4.38 | 0.10 |
| | 2009 | 160 | 2,515 | 127,804,000 | 47,941 | 2.37 | 2.70 |
| | 2010 | 159 | 2,330 | 116,395,000 | 47,620 | (0.67) | 1.50 |
| | 2011 | 159 | 2,137 | 110,103,000 | 48,806 | 2.49 | 3.20 |
| | 2012 | 159 | 1,937 | 103,074,000 | 50,504 | 3.48 | 2.10 |
| Public Safety Retirement System | 2003 | 117 | 7,041 | \$ 278,402,000 | 39,579 | 1.47% | 1.90% |
| | 2004 | 119 | 7,173 | 293,797,000 | 40,300 | 1.82 | 3.30 |
| | 2005 | 120 | 7,239 | 298,756,000 | 40,737 | 1.08 | 3.40 |
| | 2006 | 123 | 7,474 | 316,662,000 | 42,356 | 3.98 | 2.50 |
| | 2007 | 126 | 7,587 | 339,187,000 | 43,899 | 3.64 | 4.20 |
| | 2008 | 128 | 7,894 | 365,043,000 | 45,964 | 4.70 | 0.10 |
| | 2009 | 130 | 7,695 | 373,959,000 | 47,145 | 2.57 | 2.70 |
| | 2010 | 130 | 7,624 | 363,037,000 | 46,898 | (0.52) | 1.50 |
| | 2011 | 130 | 7,619 | 374,293,000 | 47,329 | 0.92 | 3.20 |
| | 2012 | 130 | 7,313 | 366,471,000 | 48,416 | 2.30 | 2.10 |
| Firefighters Retirement System | 2003 | 43 | 1,568 | \$ 75,619,000 | 48,132 | 3.40% | 1.90% |
| | 2004 | 44 | 1,591 | 79,638,000 | 49,863 | 3.60 | 3.30 |
| | 2005 | 48 | 1,636 | 84,061,000 | 50,471 | 1.22 | 3.40 |
| | 2006 | 52 | 1,684 | 88,682,000 | 51,549 | 2.14 | 2.50 |
| | 2007 | 51 | 1,771 | 95,767,000 | 52,247 | 1.36 | 4.20 |
| | 2008 | 52 | 1,849 | 102,252,000 | 54,111 | 3.57 | 0.10 |
| | 2009 | 55 | 1,907 | 107,625,000 | 54,466 | 0.66 | 2.70 |
| | 2010 | 56 | 1,887 | 105,275,000 | 54,741 | 0.50 | 1.50 |
| | 2011 | 57 | 1,932 | 110,751,000 | 55,240 | 0.91 | 3.20 |
| | 2012 | 57 | 1,884 | 110,608,000 | 56,507 | 2.29 | 2.10 |

Schedules of Active Member Valuation Data *(Concluded)*

Year Ended December 31

| System | Year | Number of Participating Employers | Active Members | Active Members | | | Inflation Increase (CPI) |
|--|------|---|-------------------|-------------------|----------------|---------------------|--------------------------------|
| | | | | Annual Payroll | Average Pay | Percent Increase | |
| Judges Retirement System | 2003 | 1 | 106 | \$ 10,888,000 | 106,613 | 0.57% | 1.90% |
| | 2004 | 1 | 106 | 11,646,000 | 107,237 | 0.59 | 3.30 |
| | 2005 | 1 | 108 | 11,594,000 | 110,539 | 3.08 | 3.40 |
| | 2006 | 1 | 106 | 12,195,000 | 112,350 | 1.64 | 2.50 |
| | 2007 | 1 | 108 | 13,322,000 | 120,184 | 6.97 | 4.20 |
| | 2008 | 1 | 106 | 14,404,000 | 128,706 | 7.09 | 0.10 |
| | 2009 | 1 | 104 | 14,434,000 | 131,742 | 2.36 | 2.70 |
| | 2010 | 1 | 109 | 14,234,000 | 133,692 | 1.48 | 1.50 |
| | 2011 | 1 | 111 | 14,918,000 | 132,615 | (0.80) | 3.20 |
| | 2012 | 1 | 111 | 14,885,000 | 132,644 | 0.02 | 2.10 |
| Utah Governors and Legislators Retirement Plan | 2003 | 1 | 97 | \$ 556,000 | 6,388 | (1.02)% | 1.90% |
| | 2004 | 1 | 95 | 556,000 | 5,400 | (15.47) | 3.30 |
| | 2005 | 1 | 88 | 887,000 | 8,955 | 65.83 | 3.40 |
| | 2006 | 1 | 96 | 860,000 | 7,649 | (14.58) | 2.50 |
| | 2007 | 1 | 86 | 947,000 | 9,109 | 19.08 | 4.20 |
| | 2008 | 1 | 93 | 910,000 | 9,785 | 7.42 | 0.10 |
| | 2009 | 1 | 119 | 910,000 | 7,647 | (21.85) | 2.70 |
| | 2010 | 1 | 125 | 910,000 | 7,280 | (4.80) | 1.50 |
| | 2011 | 1 | 115 | 910,000 | 7,913 | 8.70 | 3.20 |
| | 2012 | 1 | 113 | 910,000 | 8,053 | 1.77 | 2.10 |
| Tier 2 Public Employees Contributory Retirement System* | 2011 | 456 | 4,777 | \$ 36,821,000 | 7,708 | 100.00% | 3.20% |
| | 2012 | 461 | 10,356 | 203,779,000 | 27,030 | 71.48 | 2.10 |
| Tier 2 Public Safety and Firefighters Contributory Retirement System* | 2011 | 145 | 99 | \$ 855,000 | 8,636 | 100.00% | 3.20% |
| | 2012 | 145 | 477 | 10,237,000 | 33,394 | 74.14 | 2.10 |

*New systems' additional years will be added as they become available.

Schedules of Retirants and Beneficiaries

Year Ended December 31

| System | Year | Added to Rolls | | Removed from Rolls | | Rolls End of Year | | % Increase in Annual Allowances | Average Annual Allowances | |
|--|---------------------------------------|----------------|-------------|--------------------|-------------|-------------------|---------------|---------------------------------|---------------------------|----------|
| | | Number | Allowances* | Number | Allowances* | Number | Allowances | | | |
| Noncontributory Retirement System | 2003 | 1,805 | \$ — | 256 | \$ — | 22,215 | \$386,791,000 | 11.07% | \$16,884 | |
| | 2004 | 1,803 | — | 244 | — | 23,774 | 424,897,000 | 9.85 | 17,126 | |
| | 2005 | 2,212 | — | 276 | — | 25,710 | 469,695,000 | 10.54 | 17,731 | |
| | 2006 | 2,728 | — | 284 | — | 28,154 | 533,248,000 | 13.53 | 18,387 | |
| | 2007 | 2,131 | 84,779,000 | 320 | 8,501,000 | 29,965 | 609,526,000 | 14.30 | 19,138 | |
| | 2008 | 2,082 | 75,142,000 | 316 | 24,876,000 | 31,731 | 659,792,000 | 8.25 | 19,616 | |
| | 2009 | 2,540 | 84,600,000 | 370 | 21,340,000 | 33,901 | 723,053,000 | 9.59 | 20,039 | |
| | 2010 | 2,697 | 101,280,700 | 459 | 30,529,700 | 36,139 | 793,804,000 | 9.79 | 20,432 | |
| | 2011 | 2,629 | 92,161,000 | 552 | 42,268,000 | 38,216 | 843,697,000 | 6.29 | 36,139 | |
| | 2012 | 2,745 | 99,170,000 | 505 | 42,739,000 | 40,456 | 900,128,000 | 6.69 | 38,216 | |
| | Contributory Retirement System | 2003 | 122 | \$ — | 582 | \$ — | 6,942 | \$ 57,863,000 | (2.75)% | \$ 7,865 |
| | | 2004 | 140 | — | 564 | — | 6,518 | 56,992,000 | (1.51) | 8,039 |
| 2005 | | 178 | — | 521 | — | 6,175 | 57,100,000 | 0.19 | 8,799 | |
| 2006 | | 187 | — | 510 | — | 5,852 | 58,546,000 | 2.53 | 9,503 | |
| 2007 | | 197 | 7,748,000 | 497 | 4,616,000 | 5,552 | 61,678,000 | 5.35 | 10,287 | |
| 2008 | | 151 | 6,547,000 | 464 | 6,129,000 | 5,239 | 62,096,000 | 0.68 | 11,067 | |
| 2009 | | 181 | 8,434,000 | 449 | 5,681,000 | 4,971 | 64,849,000 | 4.43 | 11,961 | |
| 2010 | | 218 | 9,640,800 | 425 | 6,924,800 | 4,764 | 67,565,000 | 4.19 | 12,890 | |
| 2011 | | 177 | 8,271,200 | 389 | 7,461,200 | 4,552 | 68,375,000 | 1.20 | 4,764 | |
| 2012 | | 184 | 9,403,000 | 366 | 6,928,000 | 4,370 | 70,850,000 | 3.62 | 4,552 | |
| Public Safety Retirement System | | 2003 | 183 | \$ — | 26 | \$ — | 2,878 | \$ 59,941,000 | 11.08% | \$19,796 |
| | | 2004 | 204 | — | 35 | — | 3,047 | 66,329,000 | 10.66 | 20,816 |
| | 2005 | 252 | — | 31 | — | 3,268 | 74,041,000 | 11.63 | 21,724 | |
| | 2006 | 212 | — | 31 | — | 3,449 | 82,499,000 | 11.42 | 22,977 | |
| | 2007 | 190 | 10,541,000 | 25 | 1,176,000 | 3,614 | 91,864,000 | 11.35 | 23,575 | |
| | 2008 | 197 | 16,691,000 | 45 | 9,611,000 | 3,766 | 98,944,000 | 7.71 | 24,391 | |
| | 2009 | 170 | 11,925,000 | 105 | 4,597,000 | 3,831 | 106,272,000 | 7.41 | 25,710 | |
| | 2010 | 212 | 14,221,100 | 31 | 4,662,100 | 4,012 | 115,831,000 | 8.99 | 26,497 | |
| | 2011 | 157 | 11,329,000 | 44 | 6,591,000 | 4,125 | 120,569,000 | 4.09 | 27,182 | |
| | 2012 | 195 | 13,695,000 | 28 | 5,725,000 | 4,292 | 128,539,000 | 6.61 | 27,693 | |
| | Firefighters Retirement System | 2003 | 40 | \$ — | 4 | \$ — | 921 | \$ 23,520,000 | 5.53% | \$22,573 |
| | | 2004 | 30 | — | 18 | — | 933 | 25,263,000 | 7.41 | 24,257 |
| 2005 | | 53 | — | 12 | — | 974 | 27,269,000 | 7.94 | 25,319 | |
| 2006 | | 44 | — | 5 | — | 1,013 | 29,497,000 | 8.17 | 26,430 | |
| 2007 | | 53 | 5,023,000 | 3 | 584,000 | 1,063 | 33,936,000 | 15.05 | 27,513 | |
| 2008 | | 33 | 3,457,000 | 13 | 2,038,000 | 1,083 | 35,355,000 | 4.18 | 29,169 | |
| 2009 | | 38 | 4,503,000 | 9 | 1,547,000 | 1,112 | 38,311,000 | 8.36 | 30,158 | |
| 2010 | | 44 | 5,172,900 | 7 | 2,353,900 | 1,149 | 41,130,000 | 7.36 | 31,044 | |
| 2011 | | 32 | 3,171,000 | 8 | 2,897,000 | 1,173 | 41,404,000 | 0.67 | 31,874 | |
| 2012 | | 35 | 4,114,000 | 4 | 1,843,000 | 1,204 | 43,675,000 | 5.48 | 32,584 | |

*Additional information will be added when it becomes available.

Schedules of Retirants and Beneficiaries (Concluded)

Year Ended December 31

| System | Year | Added to Rolls | | Removed from Rolls | | Rolls End of Year | | % Increase in Annual Allowances | Average Annual Allowances |
|---|---|----------------|-------------|--------------------|-------------|-------------------|--------------|---------------------------------|---------------------------|
| | | Number | Allowances* | Number | Allowances* | Number | Allowances | | |
| Judges Retirement System | 2003 | 8 | \$ — | 2 | \$ — | 83 | \$ 4,361,000 | 14.64% | \$51,023 |
| | 2004 | 2 | — | 1 | — | 84 | 4,518,000 | 3.60 | 52,243 |
| | 2005 | 5 | — | 1 | — | 88 | 4,755,000 | 5.25 | 52,465 |
| | 2006 | 3 | — | 2 | — | 89 | 5,251,000 | 10.43 | 57,325 |
| | 2007 | 7 | 1,254,000 | — | 170,000 | 96 | 6,335,000 | 20.64 | 60,717 |
| | 2008 | 3 | 583,000 | 2 | 338,000 | 97 | 6,580,000 | 3.87 | 63,084 |
| | 2009 | 10 | 1,015,000 | — | — | 107 | 7,595,000 | 15.43 | 65,133 |
| | 2010 | 8 | 1,415,000 | — | — | 115 | 9,010,000 | 18.63 | 68,784 |
| | 2011 | 5 | 629,000 | 4 | 991,000 | 116 | 8,648,000 | (4.02) | 72,696 |
| | 2012 | 4 | 783,000 | 3 | 296,000 | 117 | 9,135,000 | 5.63 | 74,705 |
| | Utah Governors and Legislators Retirement Plan | 2003 | 3 | \$ — | 11 | \$ — | 223 | \$ 726,000 | 2.54% |
| 2004 | | 6 | — | 8 | — | 221 | 712,000 | (1.93) | 2,804 |
| 2005 | | 12 | — | 3 | — | 230 | 755,000 | 6.04 | 2,851 |
| 2006 | | 3 | — | 11 | — | 222 | 758,000 | 0.40 | 2,983 |
| 2007 | | 6 | 57,000 | 8 | 57,000 | 220 | 758,000 | — | 2,966 |
| 2008 | | 8 | 70,000 | 6 | 65,000 | 222 | 763,000 | 0.66 | 2,941 |
| 2009 | | 5 | 72,527 | 3 | 51,527 | 224 | 784,000 | 2.75 | 3,030 |
| 2010 | | 5 | 60,300 | 9 | 54,300 | 220 | 790,000 | 0.77 | 3,076 |
| 2011 | | 7 | 56,000 | 7 | 47,000 | 200 | 799,000 | 1.14 | 3,151 |
| 2012 | | 8 | 52,000 | 4 | 37,000 | 224 | 814,000 | 1.88 | 3,160 |
| Tier 2 Public Employees Contributory Retirement System** | 2011 | — | — | — | — | — | — | — | — |
| | 2012 | — | — | — | — | — | — | — | — |
| Tier 2 Public Safety and Firefighters Contributory Retirement System** | 2011 | — | — | — | — | — | — | — | — |
| | 2012 | — | — | — | — | — | — | — | — |

*Additional information will be added when it becomes available.

**There are currently no retirees in the system.

Utah Retirement Systems

Defined Benefit Systems Summary of Plan Provisions



Noncontributory Retirement System

Membership Eligibility

The Public Employees Noncontributory Retirement System was established on July 1, 1986. All eligible employees of the State and School entities hired subsequent to that date are automatically members of the Noncontributory System.

Local government entities had the option of adopting the new System or remaining with the Contributory System. An employee is qualified for membership in the Noncontributory System if his or her employer participates in the System and the employee works at least 20 hours per week and receives benefits normally

provided by his or her employer as approved by the Retirement Board, teachers who teach half-time, and classified school employees who work an average of 20 hours or more per week, regardless of benefits provided.

Vesting

Retirement benefit becomes vested upon the member's completion of four years of qualifying service.

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 |

† 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.

Service Benefit Formula

Number of years of service x 2.0% x FAS.*

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

Cost-of-Living Allowance

Up to 4% annually on the original retirement benefit. Eligible after one year.

Death Benefits

An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000 and a refund of transferred contributions plus interest, if applicable. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications or has 15 or more years of service credit.



Defined Benefit Systems
Summary of Plan Provisions *(Continued)*

An inactive member's death benefit for someone with fewer than 10 years of service consists of a refund of transferred contributions plus interest, if applicable. For those with 10 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.

A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.

Refunds

A terminated member who transferred from the Contributory Retirement System is eligible for a 100% refund of transferred member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.

Redeposits

A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.

Contribution Rates *(as of 12-31-2012)*

Employer rate for State and School (Level A) is 18.76% of covered salary and 16.04% for Local Government (Level B).

Interest

Up to 7.50% on member accounts transferred from the Contributory Retirement System.



Contributory Retirement System

Membership Eligibility

The Public Employees Contributory Retirement System includes eligible public employees of the State of Utah and its political subdivisions including public education employees of those entities covered by the System. An employee is qualified for membership in the Contributory System if his or her employer participates in the System and the employee works at least 20 hours per week and receives benefits normally provided by his or her employer as approved by the Retirement Board, teachers who teach half-time, and classified school employees who work an average of 20 hours per week or more regardless of benefits provided.

Vesting

Retirement benefit becomes vested upon the member's completion of four years of qualifying service. Eligible member contributions and interest thereon vest immediately.

Service Retirement

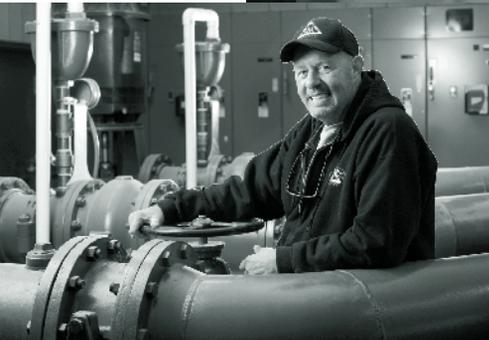
| Age | Years of Service | Allowance Reduction† |
|---------|------------------|----------------------------|
| Any age | 30 | None |
| 60-61 | 20 | 3% each year before age 65 |
| 62-64 | 10 | 3% each year before age 65 |
| 65 | 4 | None |

† With fewer than 30 years of service from any combination of Utah Retirement Systems, retiring before age 65 will reduce the monthly benefit by 3% for each year between ages 60 and 65.

Service Benefit Formula

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

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



Defined Benefit Systems
Summary of Plan Provisions *(Continued)*

Cost-of-Living Allowance

Up to 4% annually on the original retirement benefit. Eligible after one year.

Death Benefits

An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000 and a refund of contributions plus interest. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications, or has 25 years of service.

An inactive member's death benefit for someone with fewer than 10 years of service consists of a refund of contributions plus interest. For those with 10 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.

A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.

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 *(as of 12-31-2012)*

Member contribution rate is 6.00%* of covered salary. Employer rate for State and School (Level A) is 14.27% of covered salary and 12.03% for Local Government (Level B).

**Employers have the option of paying all or part of member contributions on behalf of their employees.*

Interest

Up to 7.50% on member accounts.



Public Safety Retirement System

Membership Eligibility

The Public Safety Retirement System includes eligible State and local government employees directly involved in law enforcement. The Public Safety System consists of the Contributory and Noncontributory divisions. Employees are qualified for membership in the Public Safety System if: (1) they are regularly scheduled to work and be compensated for 2,080 hours a year in a recognized public safety department; (2) they have completed a certified training program; (3) their primary duty is as a peace officer, correctional officer, special

function officer, or full-time member of the Board of Pardons and Parole; and (4) in the course of employment their life or personal safety is at risk.

Vesting

Retirement benefit becomes vested upon the member's completion of four years of service credit. Eligible member contributions vest immediately.

Service Retirement

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

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*

Service Benefit Formula

- 1) $2.5\% \times \text{FAS}^* \times \text{years of service up to 20 years.}$
- 2) $2.0\% \times \text{FAS}^* \times \text{years of service over 20 years.}$
- 3) Monthly benefit = total of 1 and 2.

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

Cost-of-Living Allowance

Up to 2.5% annually on original retirement benefit. Employers have the option to provide an enhanced cost-of-living (COLA) benefit to their public safety retirees that will raise the maximum COLA from 2.5% to 4% based on the CPI. Eligible after one year.

Death Benefits

Division A (with Social Security)

If death is in the line of duty, the benefit to the surviving spouse is \$1,000 plus a monthly benefit of 30% of the final average salary. In the noncontributory system only, if the member has 20 years of service credit, the spouse's benefit is the same as for a retired member. If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For more than 10 years of service, the benefit to the surviving spouse is \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Dependent children receive no additional benefits. A retired member's death benefit to the surviving spouse is 65% of the monthly benefit unless the member selects a reduced monthly benefit at the time of retirement to provide a 75% spousal benefit.

Division B (without Social Security)

If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month if the member had two or more years of service. If death is not in the line of duty and the member has less than two years of service, the benefit is a refund of contributions plus 50% of the last 12 months of salary. The spouse at the time of death will receive a refund of contributions plus 50% of the last 12 months of salary. 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 unless the member selects a reduced monthly benefit at the time of retirement to provide a 75% spousal benefit. An unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month.

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 12-31-2012)*

Noncontributory Option

Employer rates for Division A are: State units 37.29%; Provo 38.54%; Bountiful 37.16%; other law enforcement units with a 2.5% COLA 30.45% and units with a 4.0% COLA 33.65% of salary. Employer rates for Division B are: Salt Lake City 41.95%; Ogden 42.21%; Logan 38.18%; other law enforcement units with a 2.5% COLA 32.20% and units with a 4.0% COLA 36.97% of salary.

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*

Contributory Option

Member rates in Division A are: State units 12.29%; all other law enforcement units with a 2.5% COLA 12.29% and units with a 4.0% COLA 12.29% of covered salary. Member rates in Division B are: Logan 11.13% and other law enforcement units with a 2.5% COLA 10.50% and units with a 4.0% COLA 10.50% of salary.

Employer rates for Division A are: State units 25.52%; all other law enforcement units with a 2.5% COLA 22.29% and units with a 4.0% COLA 27.29% of covered salary. Employer rates for Division B are: Logan 27.95% and other law enforcement units with a 2.5% COLA 22.29% and units with a 4.0% COLA 27.29% of salary.

**Employers have the option of paying all or part of member contributions on behalf of their employees.*

Interest

Up to 7.50% on member accounts.



Firefighters Retirement System

Membership Eligibility

The Firefighters Retirement System includes eligible State and local government employees directly involved in fire fighting and whose duties are classified as hazardous. If an employer does not classify the duties as hazardous, the employee will be enrolled in either the Public Employees Contributory or Noncontributory Retirement System. Employees are qualified for membership in the Firefighters System if they are regularly scheduled to work and be compensated for 2,080 hours a year in a regular constituted fire department and are regularly assigned to hazardous duty. Although volunteer firefighters who are

on the rolls of a legally organized volunteer fire department do not contribute to the System and are not eligible for service retirement benefits, they or their beneficiaries receive benefits based on the salary of the lowest paid firefighters in a first-class city if they are disabled or killed in the line of duty.

Vesting

Retirement benefit becomes vested upon the member's completion of four years of service credit. Eligible member contributions vest immediately.

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

Up to 4.0% annually on original retirement benefit. Eligible after one year.



Defined Benefit Systems

Summary of Plan Provisions *(Continued)*

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

DIVISION A (with Social Security)

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. 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.

If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For members with more than 10 years of service, the benefit to the surviving spouse consists of \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater.

Division B (without Social Security)

If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 21 or dependent unmarried mentally or physically disabled child receives \$75 per month if the member had 5 or more years of service. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member.

If death is not in the line of duty, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Total benefits cannot exceed 75% of the final average salary.

A retired member's death benefit to a surviving spouse is 75% of the monthly benefit with a minimum monthly payment of \$350. An unmarried child under 21 or dependent unmarried mentally or physically disabled child receives \$75 per month.

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 12-31-2012)*

Member rate in Division A is 15.05% of covered salary. Member rate in Division B is 16.71% of covered salary.* Employer rate in Division A is 2.66% and in Division B is 2.08% of covered salary. A fire insurance premium tax equal to 11.84% 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.

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*



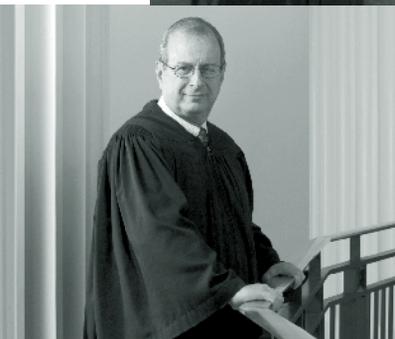
Judges Retirement System

Membership Eligibility

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

Vesting

Retirement benefit becomes vested upon the member's completion of 6 years of service credit. Eligible member contributions and interest thereon vest immediately.



Service Retirement

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

Service Benefit Formula

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

* 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.

Cost-of-Living Allowance

Up to 4% compounded annually, beginning one year after retirement.

Death Benefits

An active or inactive member's death benefit to the surviving spouse consists of a refund of member contributions and interest plus 65% of the member's most recent 12 months' compensation prior to death, or a monthly allowance equal to 65% of the amount computed for a service retirement with no early retirement reduction.

A retired member's death benefit to the surviving spouse is 65% of the member's monthly benefit at the time of death. If the member elected a reduced monthly benefit, the surviving spouse will receive a death benefit of 75% of the member's monthly benefit.

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 *(as of 12-31-2012)*

Employer rate includes 46.89% of covered salary and 14.02% from court fees.

Interest

Up to 7.50% on member accounts.

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*



Governors and Legislators Retirement Plan

Membership Eligibility

The Utah Governors and Legislators Retirement Plan includes only governors and legislators of the State of Utah.

Vesting

Retirement benefit becomes vested upon the member's completion of four years of service credit.

Service Retirement

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



Service Benefit Formula

Governors: \$500 per month per term increased semi-annually up to 2% based on the CPI. The amount as of 12-31-12 is \$1,280 per term.

Legislators: \$10 per month per each year of service as a legislator increased semi-annually up to 2% based on the CPI. The amount as of 12-31-12 is \$28 per term.

Cost-of-Living Allowance

Up to 4% annually on the original retirement benefit. Eligible after one year.

An additional \$3.50 per month, for each year of service, is payable to elected and appointed legislators and governors who were members of this Plan before March 1, 2000.

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 *(as of 12-31-2012)*

There was a 2011-12 appropriation payable by June 30, 2012, to the Utah Governors and Legislators Retirement Plan of \$214,076.



Tier 2 Public Employees Contributory Retirement System

Membership Eligibility

The Tier 2 Public Employees Contributory Retirement System, brought about by SB 63, became effective on July 1, 2011. All eligible employees beginning employment on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

A person initially entering full-time employment with a participating employer on or after July 1, 2011, must make an election to participate in *either* the Tier 2 Hybrid Public Employees Retirement System or the Tier

2 Defined Contribution (DC) Plan, within one year of his or her employment date. The election made is irrevocable. If no election is made, the employee automatically becomes a member of the Tier 2 Hybrid Public Employees Retirement System.

An employee is qualified for membership in the Tier 2 Public Employees Retirement System if his or her employer participates in this system, and one of the following: the employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 hours or more per week and the employee receives benefits normally provided by the employer as approved by the Retirement Board; the employee is a classified school employee whose employment normally requires an average of 20 hours or more per week regardless of benefits;

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*



the employee is a teacher who teaches half-time or more and receives benefits normally provided by the employer as approved by the Retirement Board; the employee is an appointed officer* whose position is full-time as certified by the participating employer; the employee is in a probationary status and meets eligibility requirements; the employee performs services through an employee leasing or similar arrangement and meets eligibility requirements.

** Appointed officers are employees appointed to a position for a definite and fixed term of office, and the position is recorded in the employer's charter, creation document, or similar document.*

Vesting

Retirement benefit is vested upon the member's completion of four years of qualifying service credit.

Service Retirement

| Age | Years of Service | Allowance Reduction† |
|---------|------------------|------------------------------|
| Any age | 35 | None |
| 60-61 | 20 | Full actuarial before age 65 |
| 62-64 | 10 | Full actuarial before age 65 |
| 65 | 4 | None |

† When fewer than 35 years of service from any combination of Utah Retirement Systems, the allowance will be reduced by approximately 7% for each year between ages 60 and 63 and approximately 9% for each year between ages 64 and 65.

Service Benefit Formula

Applies Only to the Tier 2 Hybrid Retirement System

Service benefit formula is based upon number of years of service credit x 1.5% x highest five years' earnings converted to a monthly average.

Cost-of-Living Allowance

The Tier 2 Hybrid Retirement System has a COLA up to 2.5% on the retirement allowance. There is no COLA in the Tier 2 Defined Contribution Plan.

Death Benefits

An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications or has 15 or more years of service credit. If there are any member contributions in the employee's Tier 2 Hybrid Public Employees Retirement Account and the surviving spouse does not qualify for a career benefit, the beneficiary(ies) will receive a refund of the employees contributions plus interest.

Death Benefits for Non-Retired Members — in the Tier 2 DC Retirement Plan

After death, any money vested in the employee's URS Savings Plans (401(k), 457, IRAs) is payable to his or her beneficiary(ies).

Death Benefit Insurance — Applies to Both the Hybrid Public Employees Retirement System and the DC Plan

If an employee is a non-retired member who is employed by a participating employer at the time of his or her death, his or her beneficiary(ies) will receive an insurance payment representing 75% of the employee's highest annual salary. If the employee has less than 12 months of service, the benefit is prorated. The minimum insurance payment is \$1,000.

Refunds

If the employee has a balance in his or her Tier 2 Defined Contribution account, he or she may be able to withdraw funds under certain circumstances. When an employee has four years of eligible employment, the employer contributions in his or her 401(k) account become vested and he or she is able to take a refund of the account upon termination of employment.

If the employee terminates employment prior to the vesting period and subsequently enters employment with a URS participating employer within 10 years of the previous termination date, all employer contributions will be reinstated upon completion of the vesting

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*

period. If he or she is not re-employed and eligible to participate in the DC Plan within 10 years of the previous termination date, the funds are forfeited. If the employee makes personal deferrals (i.e., payroll deductions) to the DC Plan, those deferrals are vested immediately and may be taken as a refund when terminating employment.

Contribution Rates *(as of 12-31-2012)*

Range from 14.33% to 16.10% of salary for local government employers. The rate for State and School Employers is 16.65%.



**Tier 2
Public Safety
and Firefighters
Contributory
Retirement
System**

The Tier 2 Public Safety and Firefighter Contributory Retirement System, brought about by SB 63, became effective on July 1, 2011. All eligible employees beginning employment on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Public Safety and Firefighters Retirement System. A person initially entering full-time employment with a participating employer on or after July 1, 2011, must make an election to participate in *either* the Tier 2 Public Safety and Firefighters Retirement System or the Tier 2 Defined Contribution (DC) Plan, within one year of his or her employment date.

The election made is irrevocable. If no election is made, the employee automatically becomes a member of the Tier 2 Hybrid Public Safety and Firefighters Retirement System.

Membership Eligibility

An employee qualifies for membership if: The employment normally requires an average of 2,080 hours of regularly scheduled employment per year in a recognized public safety department, as a law enforcement officer, correctional officer, special function officer, or full-time member of the Board of Pardons and Parole, and in the course of employment the employee's life or personal safety is at risk, and he or she has completed a certified training program, which is documented with our office, OR, if the employment normally requires an average of 2,080 hours of regularly scheduled employment per year in a regularly constituted fire department, the employee has been trained in firefighter techniques, and is assigned to a position of hazardous duty.

If the employee doesn't meet the eligibility requirements outlined in the previous explanation, based on the employer's participation, the employee will be enrolled in the Tier 2 Public Employees Contributory Retirement System as long as eligibility requirements are met.

Vesting

Retirement benefit is vested upon the member's completion of four years of qualifying service credit.

Service Retirement

Applies Only to the Tier 2 Hybrid Public Safety and Firefighters Retirement System

| Age | Years of Service | Allowance Reduction† |
|---------|------------------|------------------------------|
| Any age | 25 | None |
| 60-61 | 20 | Full actuarial before age 65 |
| 62-64 | 10 | Full actuarial before age 65 |
| 65 | 4 | None |

† When fewer than 25 years of service from any combination of Utah Retirement Systems, the allowance will be reduced by approximately 7% for each year between ages 60 and 63 and approximately 9% for each year between ages 64 and 65.



Defined Benefit Systems

Summary of Plan Provisions *(Concluded)*

Service Benefit Formula

Applies Only to the Tier 2 Hybrid Public Safety and Firefighters Retirement System

Service benefit formula is based upon number of years of service credit x 1.5% x highest five years' earnings converted to a monthly average.

Cost-of-Living Allowance

The Tier 2 Public Hybrid Safety and Firefighters Retirement System has a COLA up to 2.5% on the retirement allowance. There is no COLA in the Tier 2 Defined Contribution Plan.

Death Benefits

An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications or has 15 or more years of service credit. If there are any member contributions in the employee's Tier 2 Hybrid Public Employees Retirement Account and the surviving spouse does not qualify for a career benefit, the beneficiary(ies) will receive a refund of the employees contributions plus interest.

Line of Duty Death — Applies only to the Tier 2 Hybrid Public Safety and Firefighters Retirement System Career Benefit

If the 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 he or she has accrued less than 20 years of public safety or firefighter service credit, his or her spouse at the time of death will receive a lump sum of \$1,000 and an allowance equal to 30% of the employee's final average salary.

If deceased has accrued 20 or more years of public safety or firefighter service credit, the employee will be considered retired with an option one allowance calculated without an actuarial reduction and his or her spouse at the time of your death will receive the allowance that would have been payable to the employee.

Death Benefit Insurance — Death Benefit Insurance, applies to both the Hybrid Public Safety and Firefighters Retirement System and the Tier 2 DC Plan

If an employee is a non-retired member who is employed by a participating employer at the time of his or her death, his or her beneficiary(ies) will receive an insurance payment representing 75% of the employee's highest annual salary. If the employee has less than 12 months of service, the benefit is prorated. The minimum insurance payment is \$1,000.

Death Benefits for Non-Retired Members — in the Tier 2 DC Retirement Plan

After death, any money vested in the employee's URS Savings Plans (401(k), 457, IRAs) is payable to his or her beneficiary(ies).

Refunds

If the employee has a balance in his or her Tier 2 Defined Contribution account, he or she may be able to withdraw funds under certain circumstances. When an employee has four years of eligible employment, the employer contributions in his or her 401(k) account becomes vested and he or she is able to take a refund of the account upon termination of employment.

If the employee terminates employment prior to the vesting period and subsequently enters employment with a URS participating employer within 10 years of the previous termination date, all employer contributions will be reinstated upon completion of the vesting period. If he or she is not re-employed and eligible to participate in the DC Plan within 10 years of the previous termination date, the funds are forfeited. If the employee makes personal deferrals (i.e., payroll deductions) to the DC Plan, those deferrals are vested immediately and may be taken as a refund when terminating employment.

Contribution Rates *(as of 12-31-2012)*

Public Safety rates range from a low of 20.34% to a high of 31.87% of salary. The firefighter rate is 12.19% of salary.

Utah Retirement Systems

Changes in Plan Provisions

Retirement
Related
Legislation

2012



The following retirement-related bills were passed by the 2012 Utah Legislature:

Public Safety Retirement Systems

SubHB 256: Retirement Modifications

Allows the executive director of the Department of Corrections to exempt from the Tier 1 Noncontributory Retirement System. Clarifies that Tier 2 firefighters, including volunteers, are covered under the PEHP long-term disability policy, clarifies participation standards for employers in the Tier 2 Retirement Systems, and allows certain Tier 2 Retirement Systems at-will employees to exempt from the 4-year vesting requirements.

General

SB 156: Elected Official Retirement Benefit Amendments

Eliminates post-retirement health benefits for new legislators and governors.

Defined Contribution Savings Plans Summary of Plan Provisions

Defined Contribution Savings Plans



Introduction

The 401(k), 457, Roth and traditional IRAs administered by the Board are Defined Contribution Savings Plans. These Plans are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These Plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue Code and are available to state, local government, and education employees throughout Utah whose employers have adopted the plans.

Goals and Objectives

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

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

Employer Contributions

In addition to accepting employee contributions, the 401(k) and 457 Plans also accept employer contributions on behalf of their employees. All state and public education employees participating in the Noncontributory Retirement System receive an amount equal to 1.5% of their salary in the 401(k) Plan and Tier 2 Public Employees and Tier 2 Public Safety and Firefighters Retirement Systems' participants also receive contributions according to their retirement plan.

Social Security Substitute

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

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

Defined Contribution Savings Plans

Summary of Plan Provisions *(Continued)*



Summary of Plan Provisions

Deferral Limits

401(k) — Limited in 2012 to an annual maximum of \$17,000. Employer contributions and employee deferrals combined could not exceed the lesser of \$50,000 or 100% of compensation.

457 — Limited to an annual maximum of \$17,000 or 100% of includable compensation.

Roth and Traditional IRA — Limited to an annual maximum of \$5,000 into all IRAs owned by the participant.

Coordination of Deferrals

401(k) — Deferrals to the 401(k) and 403(b) plans must be coordinated.

457 — Contributions to the 457 must be coordinated with all 457(b) plans.

Roth and Traditional IRA — All Roth and traditional IRA contributions must be coordinated.

Catch-up Provisions

401(k) — An additional \$5,500 for participants 50 or older during the year.

457 — An additional \$5,500 for participants age 50 or older during the year. There is an additional "special catch-up" provision for individuals who are within four years of retirement eligibility. It allows participants to double their contributions to a 457(b) plan during the three years immediately preceding the year they qualify for retirement. However, the special catch-up is limited to unused deferrals allowed in previous years.

Roth and Traditional IRA — An additional \$1,000 for participants 50 or older.

Withdrawals

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

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

Roth and Traditional IRA — Allowable at any time, but with possible tax penalties if withdrawn prior to age 59½.

Rollovers

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

457 — Allowable to other eligible retirement plans or from another 457(b) plan.

Roth and Traditional IRA — Allowable from other eligible retirement plans or to other eligible plans (depending on acceptance of receiving plan).

Vesting

401(k) — Employee and other employer contributions are fully vested. Tier 2 employer required contributions are vested after four years of eligible service.

457 — Fully vested.

Roth and Traditional IRA — Fully vested.

Loans

401(k) and 457 — Available up to 50% of member account balance, to a maximum of \$50,000. Only one outstanding loan allowed, per plan. Tier 2 employer required contributions are not eligible.

Roth and Traditional IRA — Not available.

Defined Contribution Savings Plans Summary of Plan Provisions *(Continued)*

Short-Term Trading Fees

Each time money managers purchase or redeem stocks and bonds there are trading costs involved. Because of the costs generated by frequent or short-term trading, it became necessary to impose a short-term trading fee. Individuals who transfer any or all of their current account between core investment options more often than once every 30 days, are charged 2% of the amount transferred for each additional trade. Each transfer starts a new 30-day period.

Investment Transfer Options

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

2012 Core Investment Options

Income Fund

The Income Fund is a stable value option and the most conservative of the investment choices. Approximately 95% of its assets are invested in investment grade bonds, which are “wrapped” with book value contracts. The contracts are financial agreements from creditworthy banks and insurance companies, protecting against changes in interest rates and allowing the returns to be smoothed over the duration of the portfolio. The remaining 5% is invested in short-term instruments for liquidity.

Bond Fund

The Bond Fund invests in a diversified portfolio consisting of U.S. government securities, mortgage and asset backed securities, corporate bonds, and short-term funds.

Balanced Fund

The Balanced Fund invests in a portfolio consisting of approximately 60% stocks and 40% bonds.

Large Cap Stock Value Fund

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

Large Cap Stock Index Fund

The Large Cap Stock Index Fund invests in stocks included in the Russell 1000 Index and is similarly weighted. This fund represents a broad range of industries in the U.S. economy.

Large Cap Stock Growth Fund

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

International Fund

The International Fund tracks the performance of the MSCI All Country World Index – ex. U.S. – Investable Market Index (ACWI ex. U.S. IMI) as closely as possible. The index is designed as a measure of the global stock market performance of developed and emerging markets that excludes the United States.



Defined Contribution Savings Plans**Summary of Plan Provisions** *(Concluded)*

**Horizon Funds
Asset Allocation**

| | Short Horizon Fund | Medium Horizon Fund | Long Horizon Fund |
|--------------------------------------|--------------------------|---------------------------|-------------------------|
| Income Fund | 15% | — | — |
| Bond Fund | 35 | 30% | 15% |
| Inflation Protected Securities | 10 | 5 | — |
| International Bonds | 10 | 10 | 5 |
| Large Cap Stock Value Fund | 4 | 6 | 6 |
| Large Cap Stock Index Fund | 5 | 11 | 16 |
| Large Cap Stock Growth Fund | 4 | 6 | 6 |
| International Fund | 10 | 18 | 28 |
| Small Cap Stock Fund | 4 | 5 | 9 |
| Real Estate Investment Trusts | — | 4 | 8 |
| Commodities | 3 | 5 | 7 |
| Total | 100% | 100% | 100% |

Small Cap Stock Fund

The Small Cap Stock Fund invests in a broad cross-section of U.S. small companies whose size (market capitalization) falls within the smallest 10% of the market universe. The market universe is comprised of companies listed on the NYSE, AMEX, and NASDAQ.

Brokerage Window

The brokerage window is a self-directed brokerage account available through Charles Schwab. The brokerage account offers a wide variety of investment options with varying degrees of risk. The brokerage window allows the participant to choose from mutual funds, stocks, bonds, and exchange traded funds (ETFs).

Horizon Funds

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

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

The **Medium Horizon Fund** is designed for investors planning to withdraw their funds in five to 10 years. This fund emphasizes moderate risk and moderate earnings potential. It has more risk than the Short Horizon Fund, but less than the Long Horizon Fund. The Medium Horizon Fund is the default vehicle when no investment option has been selected by the participant. The medium horizon asset allocation is also used for Tier 2 unvested funds.

The **Long Horizon Fund** is designed for investors with 10 or more years to invest before withdrawing their funds. The fund offers the potential for higher returns over a long period of time. There is higher market risk with this horizon fund, along with higher potential returns.

Health Reimbursement Arrangement

The Health Reimbursement Arrangement (HRA) is a tax-advantaged health savings plan funded by employer contributions to pay for qualified healthcare expenses incurred after retirement.

Eligibility — Benefits are eligible for the retiree, spouse, and dependents as defined by the Internal Revenue Service.

Contributions — HRA rules require that all contributions be made by the employer and are determined by the employer's personnel policies. Contributions are generally from unused sick leave or other leave.

Eligible Expenses

Money is available for the member, his or her spouse, and dependents to pay qualified medical expenses. For a comprehensive list of eligible expenses, see IRS Publication 502, *Medical and Dental Expenses*.

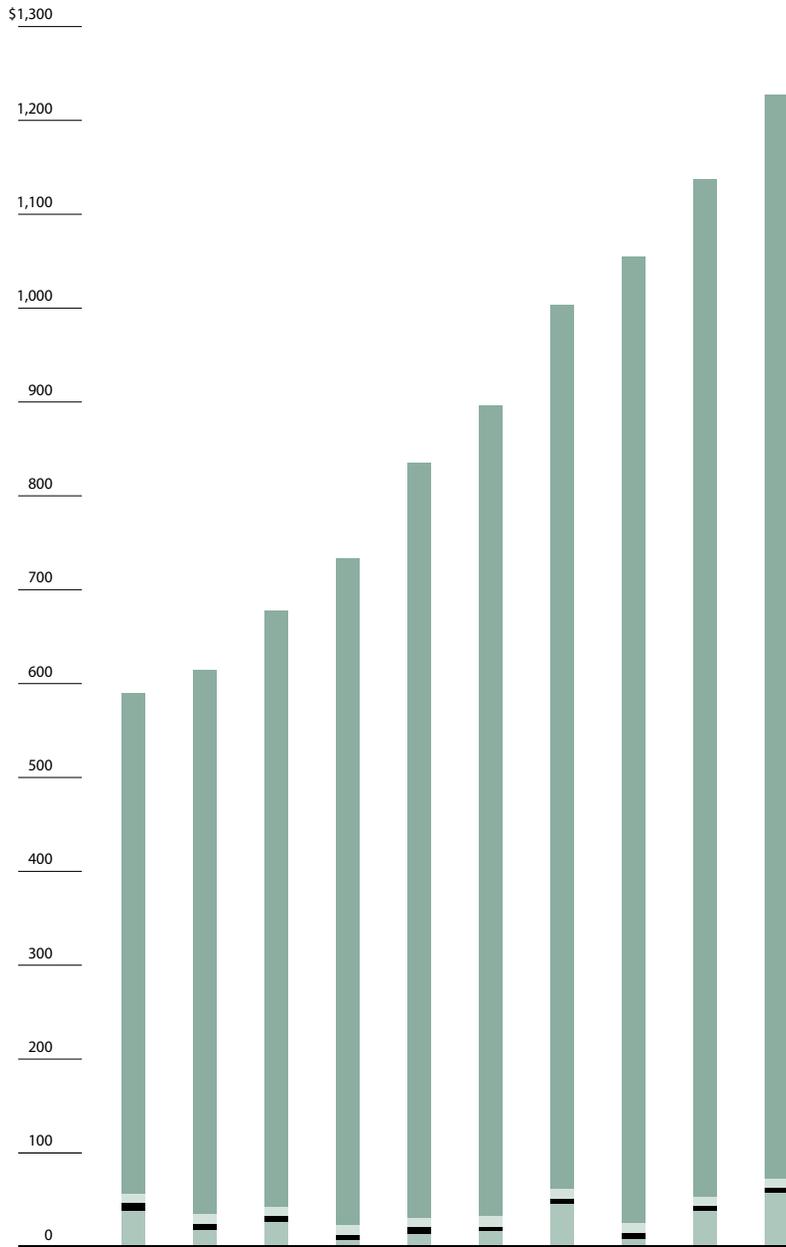
Refunds, Administration and Fees — Contributions are placed in a money market account managed by Northern Trust investment management. Administrative and money management fees totaling 0.6% are deducted from earnings. There is also a \$2.50 monthly fee for the benefits card and claims processing.

The historical rates of returns for each investment fund are found on page 117.

All Retirement Systems

Deductions by Type

(dollars in millions)



(dollars in millions)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------|--------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|
| Benefits | \$533 | 579 | 634 | 710 | 804 | 863 | 941 | 1,028 | 1,083 | 1,153 |
| Administrative expense | 10 | 10 | 10 | 10 | 10 | 11 | 10 | 11 | 9 | 10 |
| Refunds | 8 | 7 | 6 | 5 | 7 | 5 | 6 | 6 | 5 | 5 |
| Transfers to systems | 37 | 16 | 25 | 6 | 12 | 15 | 44 | 7 | 37 | 56 |
| Totals | \$588 | 612 | 675 | 731 | 833 | 894 | 1,001 | 1,052 | 1,134 | 1,224 |

Utah Retirement Systems
Comprehensive
Annual Financial Report



Statistical

SECTION

- 158 Schedules of Changes in Fund Balance — Defined Benefit Systems**
These schedules allow readers to view changes in net assets and benefits over a 10-year period.
- 162 Schedules of Changes in Fund Balance — Defined Contribution Plans**
These schedules allow readers to view changes in net assets and refunds over a 10-year period.
- 164 Schedules of Benefit Deductions by Type**
These schedules provide readers with information regarding the type of benefit deductions for the last 10 years.
- 166 Schedules of Retired Members by Type of Benefit Option**
These schedules provide readers with information regarding the benefit option retired members choose.
- 168 Schedules of Average Benefit Payments**
These schedules provide readers with information regarding benefit payments by years of service.
- 172 Schedules of Active Members by Age and Gender**
These schedules provide readers with information regarding members by age and gender.
- 173 Schedules of Retirees by Age and Gender**
These schedules provide readers with information regarding retirees by age and gender.
- 174 Schedules of Principal Participating Employers**
These schedules provide readers with information regarding the largest participating employers.
- 177 Schedule of Utah Retirement Office Employees**
This schedule provides readers with information regarding the number of Utah Retirement Systems' employees.
- 178 Schedule of Participating Employers**
This schedule provides readers with information regarding the participating employers and the systems in which they participate.
- 182 Utah Retirement Systems — a Highlight History**
This summary provides readers with historical highlights of the Utah Retirement Systems.
- Inside Back Cover Systems and Plans Statistical Highlights**
This schedule provides readers with a number of general system and plan highlights.

Schedules of Changes in Fund Balance — Defined Benefit Systems

Year Ended December 31

(dollars in thousands)

| System | Year | Beginning Net Assets | Total Employer Contributions | | | Contributions as a Percent of Covered Payroll | Net Investment Income |
|--|------|-------------------------|---------------------------------|---------------------------|--------------------------------------|--|-----------------------------|
| | | | Member Contributions | Employer Contributions | Court Fees/ Fire Insurance Tax | | |
| Noncontributory Retirement System | 2003 | \$ 9,073,766 | 11,517 | 314,511 | — | 10.63% | 2,315,577 |
| | 2004 | 11,280,140 | 14,377 | 369,109 | — | 11.97 | 1,547,605 |
| | 2005 | 12,786,130 | 19,817 | 406,795 | — | 12.85 | 1,185,095 |
| | 2006 | 13,892,439 | 22,646 | 440,421 | — | 13.24 | 2,006,738 |
| | 2007 | 15,818,483 | 18,245 | 487,803 | — | 14.20 | 1,041,414 |
| | 2008 | 16,751,804 | 14,110 | 522,733 | — | 13.50 | (3,888,624) |
| | 2009 | 12,714,371 | 14,109 | 535,298 | — | 13.53 | 1,667,478 |
| | 2010 | 14,152,562 | 33,528 | 564,154 | — | 14.51 | 1,860,976 |
| | 2011 | 15,802,205 | 12,879 | 610,270 | — | 15.65 | 401,105 |
| | 2012 | 15,935,472 | 15,014 | 644,907 | — | 16.99 | 2,000,995 |
| Contributory Retirement System | 2003 | \$ 716,132 | 8,673 | 7,297 | — | 5.23% | 186,339 |
| | 2004 | 889,808 | 9,023 | 9,564 | — | 6.86 | 117,340 |
| | 2005 | 949,393 | 10,300 | 10,357 | — | 7.52 | 88,388 |
| | 2006 | 1,018,525 | 9,534 | 10,737 | — | 8.02 | 144,012 |
| | 2007 | 1,115,416 | 9,700 | 11,208 | — | 8.56 | 71,640 |
| | 2008 | 1,131,316 | 9,410 | 11,037 | — | 8.29 | (261,227) |
| | 2009 | 835,370 | 8,655 | 10,865 | — | 8.50 | 112,626 |
| | 2010 | 937,587 | 10,299 | 11,851 | — | 10.18 | 121,153 |
| | 2011 | 1,007,248 | 7,300 | 11,125 | — | 10.10 | 26,009 |
| | 2012 | 1,013,050 | 6,962 | 11,705 | — | 11.36 | 131,169 |
| Public Safety Retirement System | 2003 | \$ 1,124,549 | 4,448 | 46,655 | — | 16.76% | 288,126 |
| | 2004 | 1,404,167 | 5,038 | 56,319 | — | 19.17 | 192,784 |
| | 2005 | 1,594,043 | 4,806 | 61,326 | — | 20.53 | 148,071 |
| | 2006 | 1,736,451 | 4,567 | 70,466 | — | 22.25 | 250,813 |
| | 2007 | 1,981,492 | 4,343 | 81,166 | — | 24.46 | 130,655 |
| | 2008 | 2,106,302 | 2,159 | 93,899 | — | 25.72 | (491,024) |
| | 2009 | 1,614,057 | 1,556 | 98,729 | — | 26.40 | 213,627 |
| | 2010 | 1,824,758 | 1,713 | 103,586 | — | 28.53 | 241,203 |
| | 2011 | 2,058,019 | 1,070 | 110,829 | — | 29.61 | 52,655 |
| | 2012 | 2,103,751 | 1,155 | 117,975 | — | 32.19 | 266,753 |
| Firefighters Retirement System | 2003 | \$ 461,323 | 6,055 | — | 9,059 | 11.98% | 117,392 |
| | 2004 | 570,160 | 6,292 | — | 8,659 | 10.87 | 77,602 |
| | 2005 | 637,979 | 6,726 | — | 9,601 | 11.42 | 58,827 |
| | 2006 | 686,062 | 7,761 | — | 9,518 | 10.73 | 98,566 |
| | 2007 | 773,776 | 9,194 | — | 13,797 | 14.41 | 50,738 |
| | 2008 | 814,674 | 10,428 | — | 10,219 | 9.99 | (188,095) |
| | 2009 | 612,699 | 11,273 | — | 16,159 | 15.01 | 79,811 |
| | 2010 | 682,219 | 14,112 | 238 | 10,677 | 10.37 | 89,122 |
| | 2011 | 756,260 | 17,328 | 316 | 12,689 | 11.74 | 19,218 |
| | 2012 | 765,524 | 17,503 | 1,264 | 16,057 | 15.66 | 96,255 |

| Transfers from Systems | Total Additions | Benefit Payments | Refunds | Administrative & Actuarial Expense | Transfers to Systems | Total Deductions | Changes in Net Assets | Ending Net Assets |
|------------------------|-----------------|------------------|---------|------------------------------------|----------------------|------------------|-----------------------|-------------------|
| — | 2,641,605 | 386,791 | 3,310 | 8,124 | 37,006 | 435,231 | 2,206,374 | 11,280,140 |
| 10,583 | 1,941,674 | 424,897 | 3,029 | 7,758 | — | 435,684 | 1,505,990 | 12,786,130 |
| — | 1,611,707 | 469,695 | 3,189 | 7,557 | 24,957 | 505,398 | 1,106,309 | 13,892,439 |
| 112 | 2,469,917 | 533,248 | 2,763 | 7,862 | — | 543,873 | 1,926,044 | 15,818,483 |
| 7,173 | 1,554,635 | 609,526 | 3,443 | 8,345 | — | 621,314 | 933,321 | 16,751,804 |
| — | (3,351,781) | 659,792 | 2,514 | 8,809 | 14,537 | 685,652 | (4,037,433) | 12,714,371 |
| — | 2,216,885 | 723,052 | 2,882 | 8,340 | 44,420 | 778,694 | 1,438,191 | 14,152,562 |
| — | 2,458,658 | 793,804 | 3,620 | 8,389 | 3,202 | 809,015 | 1,649,643 | 15,802,205 |
| — | 1,024,254 | 843,696 | 2,514 | 7,304 | 37,473 | 890,987 | 133,267 | 15,935,472 |
| — | 2,660,916 | 900,133 | 2,858 | 8,397 | 55,563 | 966,951 | 1,693,965 | 17,629,437 |
| 33,263 | 235,572 | 57,863 | 3,358 | 675 | — | 61,896 | 173,676 | 889,808 |
| — | 135,927 | 56,992 | 2,945 | 618 | 15,787 | 76,342 | 59,585 | 949,393 |
| 19,565 | 128,610 | 57,100 | 1,800 | 578 | — | 59,478 | 69,132 | 1,018,525 |
| — | 164,283 | 58,546 | 1,789 | 576 | 6,481 | 67,392 | 96,891 | 1,115,416 |
| — | 92,548 | 61,678 | 2,318 | 588 | 12,064 | 76,648 | 15,900 | 1,131,316 |
| 9,008 | (231,772) | 62,096 | 1,473 | 605 | — | 64,174 | (295,946) | 835,370 |
| 37,633 | 169,779 | 64,849 | 2,158 | 555 | — | 67,562 | 102,217 | 937,587 |
| — | 143,303 | 67,565 | 1,632 | 535 | 3,910 | 73,642 | 69,661 | 1,007,248 |
| 32,064 | 76,498 | 68,375 | 1,872 | 449 | — | 70,696 | 5,802 | 1,013,050 |
| 47,098 | 196,934 | 70,855 | 1,975 | 503 | — | 73,333 | 123,601 | 1,136,651 |
| 2,002 | 341,231 | 59,941 | 666 | 1,006 | — | 61,613 | 279,618 | 1,404,167 |
| 4,002 | 258,143 | 66,329 | 960 | 978 | — | 68,267 | 189,876 | 1,594,043 |
| 4,257 | 218,460 | 74,041 | 1,026 | 985 | — | 76,052 | 142,408 | 1,736,451 |
| 3,284 | 329,130 | 82,499 | 562 | 1,028 | — | 84,089 | 245,041 | 1,981,492 |
| 2,323 | 218,487 | 91,864 | 723 | 1,090 | — | 93,677 | 124,810 | 2,106,302 |
| 3,727 | (391,239) | 98,944 | 899 | 1,163 | — | 101,006 | (492,245) | 1,614,057 |
| 4,578 | 318,490 | 106,272 | 390 | 1,127 | — | 107,789 | 210,701 | 1,824,758 |
| 4,248 | 350,750 | 115,831 | 512 | 1,146 | — | 117,489 | 233,261 | 2,058,019 |
| 3,303 | 167,857 | 120,570 | 536 | 1,019 | — | 122,125 | 45,732 | 2,103,751 |
| 6,411 | 392,294 | 128,532 | 292 | 1,164 | — | 129,988 | 262,306 | 2,366,057 |
| 625 | 133,131 | 23,520 | 414 | 360 | — | 24,294 | 108,837 | 570,160 |
| 980 | 93,533 | 25,263 | 106 | 345 | — | 25,714 | 67,819 | 637,979 |
| 601 | 75,755 | 27,269 | 72 | 331 | — | 27,672 | 48,083 | 686,062 |
| 1,825 | 117,670 | 29,497 | 114 | 345 | — | 29,956 | 87,714 | 773,776 |
| 1,709 | 75,438 | 33,936 | 248 | 356 | — | 34,540 | 40,898 | 814,674 |
| 1,491 | (165,957) | 35,355 | 284 | 379 | — | 36,018 | (201,975) | 612,699 |
| 1,173 | 108,416 | 38,311 | 231 | 354 | — | 38,896 | 69,520 | 682,219 |
| 1,784 | 115,933 | 41,130 | 401 | 361 | — | 41,892 | 74,041 | 756,260 |
| 1,699 | 51,250 | 41,406 | 268 | 312 | — | 41,986 | 9,264 | 765,524 |
| 1,325 | 132,404 | 43,660 | 133 | 357 | — | 44,150 | 88,254 | 853,778 |

Continued on page 160.

Schedules of Changes in Fund Balance — Defined Benefit Systems *(Continued)*

Year Ended December 31

(dollars in thousands)

| System | Year | Beginning Net Assets | Member Contributions | Employer Contributions | Total Employer Contributions | | Contributions as a Percent of Covered Payroll | Net Investment Income |
|--|------|-------------------------|-------------------------|---------------------------|--------------------------------------|--|--|-----------------------------|
| | | | | | Court Fees/ Fire Insurance Tax | | | |
| Judges Retirement System | 2003 | \$ 75,753 | 103 | 551 | 1,939 | | 22.87% | 19,417 |
| | 2004 | 94,467 | 8 | 723 | 1,808 | | 21.73 | 12,852 |
| | 2005 | 105,483 | 8 | 792 | 1,605 | | 20.67 | 9,762 |
| | 2006 | 113,353 | 10 | 995 | 1,723 | | 22.29 | 16,287 |
| | 2007 | 128,299 | 13 | 1,360 | 1,850 | | 24.10 | 8,401 |
| | 2008 | 134,364 | 138 | 1,730 | 2,072 | | 26.40 | (31,053) |
| | 2009 | 100,895 | 67 | 2,083 | 2,101 | | 28.99 | 13,214 |
| | 2010 | 111,726 | — | 2,771 | 1,944 | | 33.12 | 14,597 |
| | 2011 | 123,037 | — | 3,588 | 1,815 | | 36.22 | 3,114 |
| | 2012 | 123,235 | — | 4,232 | 1,666 | | 39.62 | 15,485 |
| Utah Governors and Legislators Retirement Plan | 2003 | \$ 8,932 | — | — | — | | — | 2,202 |
| | 2004 | 10,390 | — | — | — | | — | 1,381 |
| | 2005 | 11,066 | — | — | — | | — | 997 |
| | 2006 | 11,319 | — | — | — | | — | 1,589 |
| | 2007 | 12,163 | — | — | — | | — | 780 |
| | 2008 | 12,196 | — | — | — | | — | (2,763) |
| | 2009 | 8,675 | — | — | — | | — | 1,098 |
| | 2010 | 8,993 | — | — | — | | — | 1,142 |
| | 2011 | 9,337 | — | 153 | — | | 26.94% | 231 |
| | 2012 | 8,933 | — | 214 | — | | 46.22 | 1,100 |
| Tier 2 Public Employees Contributory Retirement System* | 2011 | \$ — | — | 2,790 | — | | 7.58% | \$ 9 |
| | 2012 | 2,799 | — | 14,208 | — | | 6.97 | 922 |
| Tier 2 Public Safety and Firefighters Contributory Retirement System* | 2011 | \$ — | — | 89 | — | | 10.41% | \$ — |
| | 2012 | 89 | — | 1,031 | — | | 10.07 | 56 |

*New system additional years will be added as they become available.

Utah Retirement Systems

| Transfers from Systems | Total Additions | Benefit Payments | Refunds | Administrative & Actuarial Expense | Transfers to Systems | Total Deductions | Changes in Net Assets | Ending Net Assets |
|------------------------|-----------------|------------------|---------|------------------------------------|----------------------|------------------|-----------------------|-------------------|
| 1,128 | 23,138 | 4,361 | — | 63 | — | 4,424 | 18,714 | 94,467 |
| 204 | 15,595 | 4,518 | — | 61 | — | 4,579 | 11,016 | 105,483 |
| 518 | 12,685 | 4,755 | — | 60 | — | 4,815 | 7,870 | 113,353 |
| 1,242 | 20,257 | 5,251 | — | 60 | — | 5,311 | 14,946 | 128,299 |
| 841 | 12,465 | 6,335 | — | 65 | — | 6,400 | 6,065 | 134,364 |
| 294 | (26,819) | 6,580 | — | 70 | — | 6,650 | (33,469) | 100,895 |
| 1,027 | 18,492 | 7,595 | — | 66 | — | 7,661 | 10,831 | 111,726 |
| 1,078 | 20,390 | 9,010 | — | 69 | — | 9,079 | 11,311 | 123,037 |
| 390 | 8,907 | 8,649 | — | 60 | — | 8,709 | 198 | 123,235 |
| 710 | 22,093 | 9,135 | — | 66 | — | 9,201 | 12,892 | 136,127 |
| — | 2,202 | 726 | — | 6 | 12 | 744 | 1,458 | 10,390 |
| 18 | 1,399 | 712 | 5 | 6 | — | 723 | 676 | 11,066 |
| 16 | 1,013 | 755 | — | 5 | — | 760 | 253 | 11,319 |
| 18 | 1,607 | 758 | — | 5 | — | 763 | 844 | 12,163 |
| 18 | 798 | 758 | 2 | 5 | — | 765 | 33 | 12,196 |
| 17 | (2,746) | 763 | 7 | 5 | — | 775 | (3,521) | 8,675 |
| 9 | 1,107 | 784 | — | 5 | — | 789 | 318 | 8,993 |
| 2 | 1,144 | 790 | 5 | 5 | — | 800 | 344 | 9,337 |
| 17 | 401 | 801 | — | 4 | — | 805 | (404) | 8,933 |
| 19 | 1,333 | 815 | 1 | 5 | — | 821 | 512 | 9,445 |
| — | 2,799 | — | — | — | — | — | 2,799 | 2,799 |
| 5 | 15,135 | — | — | 1 | — | 1 | 15,134 | 17,933 |
| — | 89 | — | — | — | — | — | 89 | 89 |
| — | 1,087 | — | — | — | 5 | 5 | 1,082 | 1,171 |

Schedules of Changes in Fund Balance — Defined Contribution Plans

Year Ended December 31

(in thousands)

| System | Year | Beginning Net Assets | Contributions | Net Investment Income / (Loss) | Total Additions |
|---|--------|-------------------------|---------------|-----------------------------------|--------------------|
| 401(k) Plan | 2003 | \$ 1,312,764 | 161,212 | 249,313 | 410,525 |
| | 2004 | 1,653,375 | 170,958 | 152,410 | 323,368 |
| | 2005 | 1,890,555 | 182,744 | 142,760 | 325,504 |
| | 2006 | 2,104,462 | 193,515 | 226,668 | 420,183 |
| | 2007 | 2,388,556 | 225,975 | 137,399 | 363,374 |
| | 2008 | 2,604,148 | 229,981 | (554,176) | (324,195) |
| | 2009 | 2,131,945 | 222,369 | 386,989 | 609,358 |
| | 2010 | 2,607,287 | 222,474 | 254,289 | 476,763 |
| | 2011 | 2,886,677 | 210,592 | (14,864) | 195,728 |
| | 2012 | 2,881,007 | 218,888 | 313,374 | 532,262 |
| 457 Plan | 2003 | \$ 171,561 | 13,812 | 29,193 | 43,005 |
| | 2004 | 196,219 | 17,368 | 17,118 | 34,486 |
| | 2005 | 213,271 | 22,033 | 14,891 | 36,924 |
| | 2006 | 230,031 | 23,282 | 24,210 | 47,492 |
| | 2007 | 258,815 | 26,303 | 14,025 | 40,328 |
| | 2008 | 277,063 | 29,021 | (57,267) | (28,246) |
| | 2009 | 229,469 | 26,617 | 41,581 | 68,198 |
| | 2010 | 283,619 | 26,522 | 27,628 | 54,150 |
| | 2011 | 316,874 | 26,441 | (2,422) | 24,019 |
| | 2012 | 321,356 | 24,501 | 35,065 | 59,566 |
| Roth IRA Plan* | 2005 | \$ — | 1,007 | 53 | 1,060 |
| | 2006 | 1,027 | 2,351 | 283 | 2,634 |
| | 2007 | 3,588 | 2,745 | 208 | 2,953 |
| | 2008 | 6,336 | 3,346 | (2,051) | 1,295 |
| | 2009 | 7,088 | 3,623 | 2,008 | 5,631 |
| | 2010 | 12,248 | 8,116 | 1,827 | 9,943 |
| | 2011 | 20,571 | 6,619 | (508) | 6,111 |
| 2012 | 24,400 | 7,685 | 3,256 | 10,941 | |
| Traditional IRA Plan* | 2005 | \$ — | 6,527 | 353 | 6,880 |
| | 2006 | 6,556 | 6,069 | 1,061 | 7,130 |
| | 2007 | 12,428 | 7,390 | 650 | 8,040 |
| | 2008 | 17,840 | 7,433 | (3,488) | 3,945 |
| | 2009 | 19,194 | 3,161 | 2,803 | 5,964 |
| | 2010 | 22,471 | 6,097 | 1,692 | 7,789 |
| | 2011 | 26,251 | 7,346 | (-55) | 7,291 |
| | 2012 | 30,013 | 9,799 | 2,811 | 12,610 |
| HRA Plan* | 2006 | \$ — | 161 | 2 | 163 |
| | 2007 | 129 | 664 | 19 | 683 |
| | 2008 | 685 | 1,129 | 23 | 1,152 |
| | 2009 | 1,546 | 1,974 | 7 | 1,981 |
| | 2010 | 2,988 | 4,274 | 11 | 4,285 |
| | 2011 | 6,275 | 4,264 | 17 | 4,281 |
| | 2012 | 9,113 | 4,092 | 22 | 4,114 |
| All Defined Contribution Plans | 2003 | \$ 1,484,325 | 175,024 | 278,506 | 453,530 |
| | 2004 | 1,849,584 | 188,326 | 169,528 | 357,854 |
| | 2005 | 2,103,826 | 212,311 | 158,057 | 370,368 |
| | 2006 | 2,342,076 | 225,378 | 252,224 | 477,602 |
| | 2007 | 2,663,516 | 263,077 | 152,301 | 415,378 |
| | 2008 | 2,906,072 | 270,910 | (616,959) | (346,049) |
| | 2009 | 2,389,242 | 257,744 | 433,388 | 691,132 |
| | 2010 | 2,928,613 | 267,483 | 285,447 | 552,930 |
| | 2011 | 3,256,648 | 255,262 | (17,832) | 237,430 |
| | 2012 | 3,265,889 | 264,965 | 354,528 | 619,493 |

*This plan has existed for less than 10 years.

Utah Retirement Systems

| Refunds | Administrative Expenses | Total Deductions | Changes in Net Assets | Ending Net Assets |
|---------|-------------------------|------------------|-----------------------|-------------------|
| 65,785 | 4,129 | 69,914 | 340,611 | 1,653,375 |
| 81,611 | 4,577 | 86,188 | 237,180 | 1,890,555 |
| 106,678 | 4,919 | 111,597 | 213,907 | 2,104,462 |
| 130,718 | 5,371 | 136,089 | 284,094 | 2,388,556 |
| 142,180 | 5,602 | 147,782 | 215,592 | 2,604,148 |
| 141,904 | 6,104 | 148,008 | (472,203) | 2,131,945 |
| 127,675 | 6,341 | 134,016 | 475,342 | 2,607,287 |
| 190,963 | 6,410 | 197,373 | 279,390 | 2,886,677 |
| 194,933 | 6,465 | 201,398 | (5,670) | 2,881,007 |
| 194,538 | 5,857 | 200,395 | 331,867 | 3,212,874 |
| 17,877 | 470 | 18,347 | 24,658 | 196,219 |
| 16,937 | 497 | 17,434 | 17,052 | 213,271 |
| 19,633 | 531 | 20,164 | 16,760 | 230,031 |
| 18,138 | 570 | 18,708 | 28,784 | 258,815 |
| 21,489 | 591 | 22,080 | 18,248 | 277,063 |
| 18,683 | 665 | 19,348 | (47,594) | 229,469 |
| 13,349 | 699 | 14,048 | 54,150 | 283,619 |
| 20,184 | 711 | 20,895 | 33,255 | 316,874 |
| 18,811 | 726 | 19,537 | 4,482 | 321,356 |
| 19,877 | 664 | 20,541 | 39,025 | 360,381 |
| 33 | — | 33 | 1,027 | 1,027 |
| 67 | 6 | 73 | 2,561 | 3,588 |
| 192 | 13 | 205 | 2,748 | 6,336 |
| 524 | 19 | 543 | 752 | 7,088 |
| 445 | 26 | 471 | 5,160 | 12,248 |
| 1,582 | 38 | 1,620 | 8,323 | 20,571 |
| 2,230 | 52 | 2,282 | 3,829 | 24,400 |
| 1,538 | 53 | 1,591 | 9,350 | 33,750 |
| 315 | 9 | 324 | 6,556 | 6,556 |
| 1,232 | 26 | 1,258 | 5,872 | 12,428 |
| 2,592 | 36 | 2,628 | 5,412 | 17,840 |
| 2,545 | 46 | 2,591 | 1,354 | 19,194 |
| 2,635 | 52 | 2,687 | 3,277 | 22,471 |
| 3,954 | 55 | 4,009 | 3,780 | 26,251 |
| 3,469 | 60 | 3,529 | 3,762 | 30,013 |
| 3,967 | 61 | 4,028 | 8,582 | 38,595 |
| 34 | — | 34 | 129 | 129 |
| 126 | 1 | 127 | 556 | 685 |
| 288 | 3 | 291 | 861 | 1,546 |
| 533 | 6 | 539 | 1,442 | 2,988 |
| 987 | 11 | 998 | 3,287 | 6,275 |
| 1,426 | 17 | 1,443 | 2,838 | 9,113 |
| 1,736 | 22 | 1,758 | 2,356 | 11,469 |
| 83,662 | 4,599 | 88,261 | 365,269 | 1,849,594 |
| 98,548 | 5,074 | 103,622 | 254,232 | 2,103,816 |
| 126,659 | 5,459 | 132,118 | 238,250 | 2,342,076 |
| 150,189 | 5,973 | 156,162 | 321,440 | 2,663,516 |
| 166,579 | 6,243 | 172,822 | 242,556 | 2,906,072 |
| 163,944 | 6,837 | 170,781 | (516,830) | 2,389,242 |
| 144,637 | 7,124 | 151,761 | 539,371 | 2,928,613 |
| 217,670 | 7,225 | 224,895 | 328,035 | 3,256,648 |
| 220,869 | 7,320 | 228,189 | 9,241 | 3,265,889 |
| 221,656 | 6,657 | 228,313 | 391,180 | 3,657,069 |

Schedules of Benefit Deductions by Type

Year Ended December 31

(in thousands)

| System | Year | Service and Disability Benefits | Cost-of-Living Benefits | Supplemental Benefits | Total Benefits |
|--|------|---------------------------------|-------------------------|-----------------------|----------------|
| Noncontributory Retirement System | 2003 | \$ 327,972 | 58,819 | — | 386,791 |
| | 2004 | 360,819 | 64,078 | — | 424,897 |
| | 2005 | 397,759 | 71,936 | — | 469,695 |
| | 2006 | 450,659 | 82,589 | — | 533,248 |
| | 2007 | 513,917 | 95,609 | — | 609,526 |
| | 2008 | 551,391 | 108,401 | — | 659,792 |
| | 2009 | 599,456 | 123,596 | — | 723,052 |
| | 2010 | 661,718 | 132,086 | — | 793,804 |
| | 2011 | 709,359 | 134,337 | — | 843,696 |
| | 2012 | 753,155 | 146,978 | — | 900,133 |
| Contributory Retirement System | 2003 | \$ 36,520 | 19,719 | 1,624 | 57,863 |
| | 2004 | 36,620 | 19,041 | 1,331 | 56,992 |
| | 2005 | 37,508 | 18,479 | 1,113 | 57,100 |
| | 2006 | 39,635 | 18,002 | 909 | 58,546 |
| | 2007 | 43,248 | 17,694 | 736 | 61,678 |
| | 2008 | 44,218 | 17,309 | 569 | 62,096 |
| | 2009 | 47,319 | 17,086 | 444 | 64,849 |
| | 2010 | 50,822 | 16,389 | 353 | 67,564 |
| | 2011 | 52,933 | 15,160 | 282 | 68,375 |
| | 2012 | 55,884 | 14,746 | 225 | 70,855 |
| Public Safety Retirement System | 2003 | \$ 50,653 | 8,638 | 650 | 59,941 |
| | 2004 | 56,047 | 9,670 | 612 | 66,329 |
| | 2005 | 62,608 | 10,859 | 574 | 74,041 |
| | 2006 | 69,721 | 12,237 | 541 | 82,499 |
| | 2007 | 77,605 | 13,743 | 516 | 91,864 |
| | 2008 | 83,142 | 15,317 | 485 | 98,944 |
| | 2009 | 88,632 | 17,186 | 454 | 106,272 |
| | 2010 | 96,331 | 19,068 | 433 | 115,832 |
| | 2011 | 99,685 | 20,482 | 403 | 120,570 |
| | 2012 | 105,780 | 22,372 | 380 | 128,532 |
| Firefighters Retirement System | 2003 | \$ 18,270 | 4,552 | 698 | 23,520 |
| | 2004 | 19,757 | 4,851 | 655 | 25,263 |
| | 2005 | 21,405 | 5,252 | 612 | 27,269 |
| | 2006 | 23,122 | 5,806 | 569 | 29,497 |
| | 2007 | 26,952 | 6,461 | 523 | 33,936 |
| | 2008 | 27,792 | 7,093 | 470 | 35,355 |
| | 2009 | 30,097 | 7,792 | 422 | 38,311 |
| | 2010 | 32,490 | 8,242 | 401 | 41,133 |
| | 2011 | 32,716 | 8,313 | 377 | 41,406 |
| | 2012 | 34,445 | 8,871 | 344 | 43,660 |

Schedules of Benefit Deductions by Type *(Concluded)*

Year Ended December 31

(in thousands)

| System | Year | Service and Disability Benefits | Cost-of-Living Benefits | Supplemental Benefits | Total Benefits |
|--|------|---------------------------------|-------------------------|-----------------------|----------------|
| Judges Retirement System | 2003 | \$ 3,508 | 853 | — | 4,361 |
| | 2004 | 3,624 | 894 | — | 4,518 |
| | 2005 | 3,784 | 971 | — | 4,755 |
| | 2006 | 4,167 | 1,084 | — | 5,251 |
| | 2007 | 5,105 | 1,230 | — | 6,335 |
| | 2008 | 5,201 | 1,379 | — | 6,580 |
| | 2009 | 6,046 | 1,549 | — | 7,595 |
| | 2010 | 7,317 | 1,693 | — | 9,010 |
| | 2011 | 6,974 | 1,675 | — | 8,649 |
| | 2012 | 7,364 | 1,771 | — | 9,135 |
| Utah Governors and Legislators Retirement Plan | 2003 | \$ 572 | 154 | — | 726 |
| | 2004 | 559 | 153 | — | 712 |
| | 2005 | 595 | 160 | — | 755 |
| | 2006 | 594 | 164 | — | 758 |
| | 2007 | 596 | 162 | — | 758 |
| | 2008 | 606 | 157 | — | 763 |
| | 2009 | 619 | 165 | — | 784 |
| | 2010 | 625 | 165 | — | 790 |
| | 2011 | 639 | 162 | — | 801 |
| | 2012 | 647 | 168 | — | 815 |
| Tier 2 Public Employees Contributory Retirement System* | 2011 | \$ — | — | — | — |
| | 2012 | — | — | — | — |
| Tier 2 Public Safety and Firefighters Contributory Retirement System* | 2011 | \$ — | — | — | — |
| | 2012 | — | — | — | — |

*New system additional years will be added as they become available.

Schedules of Retired Members by Type of Benefit Option

Year Ended December 31, 2012

(in thousands)

| System | Amount of Monthly Benefit | Number of Retirees by Benefit Option | | | | | | | |
|--|---------------------------|--------------------------------------|-----|-------|-----|-------|-----|-------|-----|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Noncontributory Retirement System | \$1-1,000 | 7,876 | 764 | 2,045 | 257 | 2,557 | 727 | — | — |
| | 1,001-2,000 | 3,852 | 727 | 1,631 | 279 | 2,166 | 829 | — | — |
| | 2,001-3,000 | 2,710 | 728 | 1,807 | 278 | 2,414 | 826 | — | — |
| | 3,001-4,000 | 1,717 | 478 | 1,312 | 215 | 1,272 | 472 | — | — |
| | 4,001-5,000 | 485 | 115 | 550 | 98 | 346 | 143 | — | — |
| | over 5,000 | 225 | 58 | 275 | 50 | 120 | 53 | — | — |
| Contributory Retirement System | \$1-1,000 | 1,097 | 437 | 220 | 31 | 227 | 85 | — | — |
| | 1,001-2,000 | 533 | 246 | 204 | 47 | 213 | 68 | — | — |
| | 2,001-3,000 | 192 | 134 | 115 | 27 | 135 | 43 | — | — |
| | 3,001-4,000 | 63 | 47 | 44 | 8 | 48 | 25 | — | — |
| | 4,001-5,000 | 12 | 16 | 17 | 5 | 6 | 4 | — | — |
| | over 5,000 | 5 | 5 | 8 | 1 | 1 | 1 | — | — |
| Public Safety Retirement System | \$1-1,000 | — | — | — | — | — | — | 297 | 109 |
| | 1,001-2,000 | — | — | — | — | — | — | 675 | 251 |
| | 2,001-3,000 | — | — | — | — | — | — | 1,316 | 488 |
| | 3,001-4,000 | — | — | — | — | — | — | 565 | 207 |
| | 4,001-5,000 | — | — | — | — | — | — | 185 | 91 |
| | over 5,000 | — | — | — | — | — | — | 84 | 25 |
| Firefighters Retirement System | \$1-1,000 | — | — | — | — | — | — | 37 | — |
| | 1,001-2,000 | — | — | — | — | — | — | 141 | — |
| | 2,001-3,000 | — | — | — | — | — | — | 404 | — |
| | 3,001-4,000 | — | — | — | — | — | — | 394 | — |
| | 4,001-5,000 | — | — | — | — | — | — | 172 | — |
| | over 5,000 | — | — | — | — | — | — | 56 | — |

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

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

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

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

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

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

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

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

Schedules of Retired Members by Type of Benefit Option *(Concluded)*

Year Ended December 31, 2012

(in thousands)

| System | Amount of Monthly Benefit | Number of Retirees by Benefit Option | | | | | | | |
|---|---------------------------|--------------------------------------|---|---|-----|---|---|----|----|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Judges Retirement System | \$1-1,000 | — | — | — | — | — | — | — | — |
| | 1,001-2,000 | — | — | — | — | — | — | — | — |
| | 2,001-3,000 | — | — | — | — | — | — | — | — |
| | 3,001-4,000 | — | — | — | — | — | — | 3 | 1 |
| | 4,001-5,000 | — | — | — | — | — | — | 1 | — |
| | over 5,000 | — | — | — | — | — | — | 57 | 54 |
| Utah Governors and Legislators Retirement Plan* | \$1-1,000 | — | — | — | 219 | — | 1 | — | — |
| | 1,001-2,000 | — | — | — | 3 | — | — | — | — |
| | 2,001-3,000 | — | — | — | 1 | — | — | — | — |
| | 3,001-4,000 | — | — | — | — | — | — | — | — |
| | 4,001-5,000 | — | — | — | — | — | — | — | — |
| | over 5,000 | — | — | — | — | — | — | — | — |
| Tier 2 Public Employees Contributory Retirement System** | \$1-1,000 | — | — | — | — | — | — | — | — |
| | 1,001-2,000 | — | — | — | — | — | — | — | — |
| | 2,001-3,000 | — | — | — | — | — | — | — | — |
| | 3,001-4,000 | — | — | — | — | — | — | — | — |
| | 4,001-5,000 | — | — | — | — | — | — | — | — |
| | over 5,000 | — | — | — | — | — | — | — | — |
| Tier 2 Public Safety and Firefighters Contributory Retirement System** | \$1-1,000 | — | — | — | — | — | — | — | — |
| | 1,001-2,000 | — | — | — | — | — | — | — | — |
| | 2,001-3,000 | — | — | — | — | — | — | — | — |
| | 3,001-4,000 | — | — | — | — | — | — | — | — |
| | 4,001-5,000 | — | — | — | — | — | — | — | — |
| | over 5,000 | — | — | — | — | — | — | — | — |

* Utah Governors and Legislators Retirement 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.

**There are currently no retirees in the Tier 2 Retirement Systems.

Schedules of Average Benefit Payments

December 31

| System | | | Years of Credited Service | | | | | |
|--|------|------------------------------|---------------------------|-------|-------|-------|-------|-------|
| | | | 4-10 | 11-15 | 16-20 | 21-25 | 26-30 | 31+ |
| Noncontributory Retirement System | 2008 | Average Monthly Benefit | \$ 321 | 760 | 1,093 | 1,504 | 2,509 | 3,159 |
| | | Monthly Final Average Salary | 2,194 | 3,052 | 3,403 | 3,801 | 4,599 | 5,080 |
| | | Number of Active Retired | 361 | 268 | 339 | 265 | 527 | 322 |
| | 2009 | Average Monthly Benefit | \$ 325 | 687 | 1,126 | 1,465 | 2,536 | 3,327 |
| | | Monthly Final Average Salary | 2,427 | 2,949 | 3,557 | 3,752 | 4,727 | 5,419 |
| | | Number of Active Retired | 472 | 309 | 401 | 350 | 565 | 443 |
| | 2010 | Average Monthly Benefit | \$ 368 | 738 | 1,181 | 1,593 | 2,577 | 3,368 |
| | | Monthly Final Average Salary | 2,565 | 3,148 | 3,747 | 4,117 | 4,783 | 5,475 |
| | | Number of Active Retired | 463 | 324 | 418 | 385 | 642 | 465 |
| | 2011 | Average Monthly Benefit | \$ 366 | 730 | 1,190 | 1,599 | 2,547 | 3,444 |
| | | Monthly Final Average Salary | 2,682 | 3,093 | 3,650 | 4,112 | 4,866 | 5,589 |
| | | Number of Active Retired | 528 | 391 | 425 | 412 | 486 | 387 |
| | 2012 | Average Monthly Benefit | \$ 334 | 174 | 1,228 | 1,629 | 2,502 | 3,419 |
| | | Monthly Final Average Salary | 2,526 | 3,182 | 3,860 | 4,119 | 4,774 | 5,516 |
| | | Number of Active Retired | 629 | 422 | 423 | 441 | 463 | 367 |
| Contributory Retirement System | 2008 | Average Monthly Benefit | \$ 330 | 453 | 1,141 | 1,228 | 2,043 | 2,322 |
| | | Monthly Final Average Salary | 2,276 | 1,367 | 3,734 | 2,964 | 3,625 | 4,049 |
| | | Number of Active Retired | 6 | 7 | 10 | 43 | 71 | 14 |
| | 2009 | Average Monthly Benefit | \$ 774 | 466 | 1,033 | 1,157 | 1,983 | 2,807 |
| | | Monthly Final Average Salary | 2,852 | 2,040 | 3,208 | 3,043 | 3,741 | 4,829 |
| | | Number of Active Retired | 5 | 13 | 8 | 28 | 92 | 35 |
| | 2010 | Average Monthly Benefit | \$ 441 | 696 | 792 | 1,112 | 2,234 | 2,824 |
| | | Monthly Final Average Salary | 2,393 | 3,159 | 2,502 | 2,851 | 4,271 | 4,857 |
| | | Number of Active Retired | 10 | 10 | 13 | 24 | 114 | 47 |
| | 2011 | Average Monthly Benefit | \$ 290 | 415 | 1,135 | 1,326 | 2,054 | 2,609 |
| | | Monthly Final Average Salary | 1,992 | 1,862 | 2,877 | 3,389 | 4,035 | 4,337 |
| | | Number of Active Retired | 12 | 6 | 14 | 16 | 90 | 39 |
| | 2012 | Average Monthly Benefit | \$ 371 | 561 | 1,252 | 1,452 | 2,126 | 2,712 |
| | | Monthly Final Average Salary | 2,294 | 2,224 | 3,966 | 3,952 | 4,092 | 4,455 |
| | | Number of Active Retired | 7 | 9 | 8 | 9 | 100 | 51 |

Schedules of Average Benefit Payments *(Continued)*

December 31

| System | | | Years of Credited Service | | | | | |
|--|------|------------------------------|---------------------------|-------|-------|-------|-------|-------|
| | | | 4-10 | 11-15 | 16-20 | 21-25 | 26-30 | 31+ |
| Public Safety Retirement System | 2008 | Average Monthly Benefit | \$ 945 | 1,124 | 2,099 | 2,668 | 3,358 | 4,333 |
| | | Monthly Final Average Salary | 2,934 | 3,643 | 4,458 | 4,789 | 5,136 | 5,328 |
| | | Number of Active Retired | 5 | 8 | 97 | 57 | 22 | 8 |
| | 2009 | Average Monthly Benefit | \$ 972 | 1,115 | 2,288 | 2,498 | 3,526 | 4,080 |
| | | Monthly Final Average Salary | 3,996 | 3,792 | 4,812 | 4,696 | 5,429 | 5,823 |
| | | Number of Active Retired | 7 | 10 | 75 | 36 | 21 | 21 |
| | 2010 | Average Monthly Benefit | \$ 766 | 1,591 | 2,124 | 2,632 | 3,616 | 4,211 |
| | | Monthly Final Average Salary | 3,711 | 4,711 | 4,565 | 4,988 | 5,807 | 6,016 |
| | | Number of Active Retired | 7 | 9 | 92 | 53 | 35 | 16 |
| | 2011 | Average Monthly Benefit | \$ 661 | 1,494 | 2,132 | 2,612 | 3,371 | 4,766 |
| | | Monthly Final Average Salary | 2,874 | 3,715 | 4,582 | 5,015 | 5,431 | 6,190 |
| | | Number of Active Retired | 9 | 9 | 62 | 47 | 15 | 15 |
| | 2012 | Average Monthly Benefit | \$ 717 | 1,397 | 2,187 | 2,498 | 3,613 | 3,969 |
| | | Monthly Final Average Salary | 3,396 | 4,489 | 4,706 | 4,890 | 5,827 | 5,486 |
| | | Number of Active Retired | 12 | 13 | 69 | 69 | 17 | 15 |
| Firefighters Retirement System | 2008 | Average Monthly Benefit | \$ 1,852 | 2,582 | 2,581 | 2,893 | 3,808 | 3,814 |
| | | Monthly Final Average Salary | 3,704 | 5,164 | 5,372 | 5,347 | 5,930 | 5,631 |
| | | Number of Active Retired | 2 | 1 | 7 | 6 | 9 | 8 |
| | 2009 | Average Monthly Benefit | \$ 2,416 | 2,036 | 2,230 | 3,028 | 3,534 | 4,891 |
| | | Monthly Final Average Salary | 4,833 | 5,281 | 4,555 | 553 | 5,796 | 7,267 |
| | | Number of Active Retired | 2 | 1 | 2 | 8 | 12 | 13 |
| | 2010 | Average Monthly Benefit | \$ — | 2,946 | 2,725 | 3,062 | 3,575 | 4,166 |
| | | Monthly Final Average Salary | — | 5,891 | 5,620 | 5,735 | 5,978 | 5,845 |
| | | Number of Active Retired | — | 1 | 12 | 5 | 14 | 12 |
| | 2011 | Average Monthly Benefit | \$ — | 2,554 | 2,686 | 3,112 | 3,852 | 4,228 |
| | | Monthly Final Average Salary | — | 5,980 | 5,527 | 5,574 | 6,408 | 5,757 |
| | | Number of Active Retired | — | 2 | 6 | 9 | 10 | 5 |
| | 2012 | Average Monthly Benefit | \$ 1,731 | 2,094 | 2,398 | 3,315 | 4,288 | 4,871 |
| | | Monthly Final Average Salary | 4,364 | 4,188 | 5,094 | 6,274 | 6,739 | 6,487 |
| | | Number of Active Retired | 4 | 3 | 7 | 6 | 6 | 9 |

Continued on page 170.

Schedules of Average Benefit Payments (Continued)

December 31

| System | | | Years of Credited Service | | | | | |
|---|------|------------------------------|---------------------------|--------|--------|--------|--------|--------|
| | | | 4-10 | 11-15 | 16-20 | 21-25 | 26-30 | 31+ |
| Judges Retirement System | 2008 | Average Monthly Benefit | \$ 4,338 | — | — | 6,634 | — | — |
| | | Monthly Final Average Salary | 9,171 | — | — | 10,321 | — | — |
| | | Number of Active Retired | 2 | — | — | 1 | — | — |
| | 2009 | Average Monthly Benefit | \$ 3,562 | 5,879 | 6,961 | 7,556 | 8,511 | 8,100 |
| | | Monthly Final Average Salary | 7,227 | 10,750 | 10,774 | 10,445 | 10,932 | 10,644 |
| | | Number of Active Retired | 1 | 1 | 1 | 3 | 1 | 3 |
| | 2010 | Average Monthly Benefit | \$ — | 6,564 | 7,389 | 8,036 | — | 9,027 |
| | | Monthly Final Average Salary | — | 12,076 | 10,969 | 11,136 | — | 11,151 |
| | | Number of Active Retired | — | 1 | 1 | 4 | — | 3 |
| | 2011 | Average Monthly Benefit | \$ — | 5,647 | — | — | 8,743 | — |
| | | Monthly Final Average Salary | — | 10,666 | — | — | 11,013 | — |
| | | Number of Active Retired | — | 3 | — | — | 1 | — |
| | 2012 | Average Monthly Benefit | \$ — | — | 6,768 | — | — | 9,697 |
| | | Monthly Final Average Salary | — | — | 11,064 | — | — | 11,068 |
| | | Number of Active Retired | — | — | 2 | — | — | 2 |
| Utah Governors and Legislators Retirement Plan | 2008 | Average Monthly Benefit | \$ 191 | 362 | 433 | 549 | — | — |
| | | Monthly Final Average Salary | — | — | — | — | — | — |
| | | Number of Active Retired | 3 | 3 | 1 | 1 | — | — |
| | 2009 | Average Monthly Benefit | \$ 212 | — | — | — | — | — |
| | | Monthly Final Average Salary | — | — | — | — | — | — |
| | | Number of Active Retired | 5 | — | — | — | — | — |
| | 2010 | Average Monthly Benefit | \$ 190 | 324 | — | 465 | — | — |
| | | Monthly Final Average Salary | — | — | — | — | — | — |
| | | Number of Active Retired | 3 | 1 | — | 1 | — | — |
| | 2011 | Average Monthly Benefit | \$ 172 | 380 | 435 | 627 | — | — |
| | | Monthly Final Average Salary | — | — | — | — | — | — |
| | | Number of Active Retired | 3 | 1 | 2 | 1 | — | — |
| | 2012 | Average Monthly Benefit | \$ 158 | 320 | — | — | — | — |
| | | Monthly Final Average Salary | — | — | — | — | — | — |
| | | Number of Active Retired | 6 | 2 | — | — | — | — |

Schedules of Average Benefit Payments *(Concluded)*

December 31

| System | | | Years of Credited Service | | | | | |
|--|------|------------------------------|---------------------------|-------|-------|-------|-------|-----|
| | | | 4-10 | 11-15 | 16-20 | 21-25 | 26-30 | 31+ |
| Tier 2 Public Employees Contributory Retirement System* | 2011 | Average Monthly Benefit | \$ — | — | — | — | — | — |
| | | Monthly Final Average Salary | — | — | — | — | — | — |
| | | Number of Active Retired | — | — | — | — | — | — |
| | 2012 | Average Monthly Benefit | \$ — | — | — | — | — | — |
| | | Monthly Final Average Salary | — | — | — | — | — | — |
| | | Number of Active Retired | — | — | — | — | — | — |
| Tier 2 Public Safety and Firefighters Contributory Retirement System* | 2011 | Average Monthly Benefit | \$ — | — | — | — | — | — |
| | | Monthly Final Average Salary | — | — | — | — | — | — |
| | | Number of Active Retired | — | — | — | — | — | — |
| | 2012 | Average Monthly Benefit | \$ — | — | — | — | — | — |
| | | Monthly Final Average Salary | — | — | — | — | — | — |
| | | Number of Active Retired | — | — | — | — | — | — |

*There are currently no retirees in the Tier 2 Retirement Systems.

Schedules of Active Members by Age and Gender

Year Ended December 31, 2012

| System | Ages | Male | Female | Total |
|--|--------------|--------|--------|--------|
| Noncontributory Retirement System | Under 20 | 5 | 8 | 13 |
| | 20 to 29 | 2,203 | 4,451 | 6,654 |
| | 30 to 39 | 7,575 | 10,328 | 17,903 |
| | 40 to 49 | 7,636 | 12,846 | 20,482 |
| | 50 to 54 | 4,156 | 8,309 | 12,465 |
| | 55 to 59 | 4,066 | 8,598 | 12,664 |
| | 60 to 69 | 3,858 | 7,472 | 11,330 |
| | 70 and Older | 359 | 389 | 748 |
| Total | | 29,858 | 52,401 | 82,259 |

| | | | | |
|---------------------------------------|--------------|-----|-----|-------|
| Contributory Retirement System | Under 20 | — | — | — |
| | 20 to 29 | 27 | 33 | 60 |
| | 30 to 39 | 98 | 71 | 169 |
| | 40 to 49 | 128 | 121 | 249 |
| | 50 to 54 | 217 | 228 | 445 |
| | 55 to 59 | 244 | 271 | 515 |
| | 60 to 69 | 225 | 251 | 476 |
| | 70 and Older | 11 | 12 | 23 |
| Total | | 950 | 987 | 1,937 |

| | | | | |
|--|--------------|-------|-----|-------|
| Public Safety Retirement System | Under 20 | — | — | — |
| | 20 to 29 | 947 | 91 | 1,038 |
| | 30 to 39 | 2,648 | 313 | 2,961 |
| | 40 to 49 | 1,928 | 281 | 2,209 |
| | 50 to 54 | 448 | 84 | 532 |
| | 55 to 59 | 303 | 59 | 362 |
| | 60 to 69 | 178 | 27 | 205 |
| | 70 and Older | 4 | 2 | 6 |
| Total | | 6,456 | 857 | 7,313 |

| | | | | |
|---------------------------------------|--------------|-------|----|-------|
| Firefighters Retirement System | Under 20 | 1 | — | 1 |
| | 20 to 29 | 183 | 7 | 190 |
| | 30 to 39 | 792 | 25 | 817 |
| | 40 to 49 | 553 | 24 | 577 |
| | 50 to 54 | 143 | 1 | 144 |
| | 55 to 59 | 106 | 1 | 107 |
| | 60 to 69 | 48 | — | 48 |
| | 70 and Older | — | — | — |
| Total | | 1,826 | 58 | 1,884 |

| System | Ages | Male | Female | Total |
|---------------------------------|--------------|------|--------|-------|
| Judges Retirement System | Under 20 | — | — | — |
| | 20 to 29 | — | — | — |
| | 30 to 39 | — | — | — |
| | 40 to 49 | 13 | 6 | 19 |
| | 50 to 54 | 12 | 9 | 21 |
| | 55 to 59 | 24 | 5 | 29 |
| | 60 to 69 | 32 | 7 | 39 |
| | 70 and Older | 3 | — | 3 |
| Total | | 84 | 27 | 111 |

| | | | | |
|---|--------------|----|----|-----|
| Utah Governors and Legislators Retirement Plan | Under 20 | — | — | — |
| | 20 to 29 | 1 | — | 1 |
| | 30 to 39 | 7 | 4 | 11 |
| | 40 to 49 | 27 | 4 | 31 |
| | 50 to 54 | 4 | 1 | 5 |
| | 55 to 59 | 23 | 3 | 26 |
| | 60 to 69 | 24 | 11 | 35 |
| | 70 and Older | 3 | 1 | 4 |
| Total | | 89 | 24 | 113 |

| | | | | |
|---|--------------|-------|-------|--------|
| Tier 2 Public Employees Contributory Retirement System | Under 20 | 95 | 128 | 223 |
| | 20 to 29 | 1,526 | 3,270 | 4,796 |
| | 30 to 39 | 919 | 1,596 | 2,515 |
| | 40 to 49 | 410 | 1,206 | 1,616 |
| | 50 to 54 | 163 | 390 | 553 |
| | 55 to 59 | 155 | 238 | 393 |
| | 60 to 69 | 125 | 117 | 242 |
| | 70 and Older | 11 | 7 | 18 |
| Total | | 3,404 | 6,952 | 10,356 |

| | | | | |
|---|--------------|-----|----|-----|
| Tier 2 Public Safety and Firefighters Contributory Retirement System | Under 20 | — | — | — |
| | 20 to 29 | 277 | 22 | 299 |
| | 30 to 39 | 131 | 14 | 145 |
| | 40 to 49 | 22 | 9 | 31 |
| | 50 to 54 | 2 | — | 2 |
| | 55 to 59 | — | — | — |
| | 60 to 69 | — | — | — |
| | 70 and Older | — | — | — |
| Total | | 432 | 45 | 477 |

Schedules of Retirees by Age and Gender

Year Ended December 31, 2012

| System | Ages | Male | Female | Total |
|--|-----------|---------------|---------------|---------------|
| Noncontributory Retirement System | Under 55 | 221 | 354 | 575 |
| | 55 to 59 | 735 | 1,006 | 1,741 |
| | 60 to 64 | 2,175 | 3,573 | 5,748 |
| | 65 to 69 | 3,842 | 6,609 | 10,451 |
| | 70 to 74 | 3,328 | 5,286 | 8,614 |
| | 75 to 79 | 2,634 | 3,995 | 6,629 |
| | 80 to 84 | 1,736 | 2,588 | 4,324 |
| | 85 to 89 | 822 | 1,219 | 2,041 |
| | 90 to 94 | 121 | 195 | 316 |
| | 95 to 100 | 4 | 12 | 16 |
| Over 100 | — | 1 | 1 | |
| Total | | 15,618 | 24,838 | 40,456 |
| Contributory Retirement System | Under 55 | 55 | 46 | 101 |
| | 55 to 59 | 104 | 109 | 213 |
| | 60 to 64 | 175 | 222 | 397 |
| | 65 to 69 | 232 | 394 | 626 |
| | 70 to 74 | 180 | 353 | 533 |
| | 75 to 79 | 115 | 276 | 391 |
| | 80 to 84 | 131 | 318 | 449 |
| | 85 to 89 | 194 | 523 | 717 |
| | 90 to 94 | 199 | 512 | 711 |
| | 95 to 100 | 50 | 169 | 219 |
| Over 100 | 2 | 11 | 13 | |
| Total | | 1,437 | 2,933 | 4,370 |
| Public Safety Retirement System | Under 55 | 570 | 192 | 762 |
| | 55 to 59 | 531 | 159 | 690 |
| | 60 to 64 | 641 | 167 | 808 |
| | 65 to 69 | 650 | 144 | 794 |
| | 70 to 74 | 373 | 125 | 498 |
| | 75 to 79 | 265 | 101 | 366 |
| | 80 to 84 | 127 | 110 | 237 |
| | 85 to 89 | 40 | 47 | 87 |
| | 90 to 94 | 16 | 21 | 37 |
| | 95 to 100 | 3 | 9 | 12 |
| Over 100 | — | 1 | 1 | |
| Total | | 3,216 | 1,076 | 4,292 |
| Firefighters Retirement System | Under 55 | 126 | 48 | 174 |
| | 55 to 59 | 136 | 27 | 163 |
| | 60 to 64 | 213 | 33 | 246 |
| | 65 to 69 | 182 | 37 | 219 |
| | 70 to 74 | 132 | 29 | 161 |
| | 75 to 79 | 66 | 24 | 90 |
| | 80 to 84 | 40 | 36 | 76 |
| | 85 to 89 | 31 | 23 | 54 |
| | 90 to 94 | 8 | 10 | 18 |
| | 95 to 100 | 1 | 2 | 3 |
| Over 100 | — | — | — | |
| Total | | 935 | 269 | 1,204 |

| System | Ages | Male | Female | Total |
|--|-----------|------------|-----------|------------|
| Judges Retirement System | Under 55 | — | — | — |
| | 55 to 59 | 1 | 1 | 2 |
| | 60 to 64 | 13 | 4 | 17 |
| | 65 to 69 | 19 | 6 | 25 |
| | 70 to 74 | 14 | 3 | 17 |
| | 75 to 79 | 10 | 4 | 14 |
| | 80 to 84 | 9 | 12 | 21 |
| | 85 to 89 | 12 | 2 | 14 |
| | 90 to 94 | — | 7 | 7 |
| | 95 to 100 | — | — | — |
| Over 100 | — | — | — | |
| Total | | 78 | 39 | 117 |
| Utah Governors and Legislators Retirement Plan | Under 55 | — | 2 | 2 |
| | 55 to 59 | — | 1 | 1 |
| | 60 to 64 | 4 | 2 | 6 |
| | 65 to 69 | 19 | 13 | 32 |
| | 70 to 74 | 20 | 8 | 28 |
| | 75 to 79 | 37 | 13 | 50 |
| | 80 to 84 | 26 | 26 | 52 |
| | 85 to 89 | 17 | 15 | 32 |
| | 90 to 94 | 11 | 6 | 17 |
| | 95 to 100 | — | 4 | 4 |
| Over 100 | — | — | — | |
| Total | | 134 | 90 | 224 |
| Tier 2 Public Employees Contributory Retirement System* | Under 55 | — | — | — |
| | 55 to 59 | — | — | — |
| | 60 to 64 | — | — | — |
| | 65 to 69 | — | — | — |
| | 70 to 74 | — | — | — |
| | 75 to 79 | — | — | — |
| | 80 to 84 | — | — | — |
| | 85 to 89 | — | — | — |
| | 90 to 94 | — | — | — |
| | 95 to 100 | — | — | — |
| Over 100 | — | — | — | |
| Total | | | | |
| Tier 2 Public Safety and Firefighters Contributory Retirement System* | Under 55 | — | — | — |
| | 55 to 59 | — | — | — |
| | 60 to 64 | — | — | — |
| | 65 to 69 | — | — | — |
| | 70 to 74 | — | — | — |
| | 75 to 79 | — | — | — |
| | 80 to 84 | — | — | — |
| | 85 to 89 | — | — | — |
| | 90 to 94 | — | — | — |
| | 95 to 100 | — | — | — |
| Over 100 | — | — | — | |
| Total | | | | |

*There are no retirees in the Tier 2 Retirement Systems.

Schedules of Principal Participating Employers

Year Ended December 31

| System | Employer | 2012 | | | 2011 | | |
|--|---|----------------|--------|--------------------------------|----------------|--------|---------------------------------|
| | | Active Members | Rank | Percent of Total Active Member | Active Members | Rank | Percent of Total Active Members |
| Noncontributory Retirement System | State of Utah | 14,450 | 1 | 17.57% | 15,273 | 1 | 17.38% |
| | Granite School District | 5,012 | 2 | 6.09 | 5,400 | 2 | 6.14 |
| | Davis School District | 4,871 | 3 | 5.92 | 5,113 | 3 | 5.82 |
| | Alpine School District | 4,659 | 4 | 5.66 | 5,095 | 4 | 5.80 |
| | Jordan School District | 3,099 | 5 | 3.77 | 3,239 | 6 | 3.68 |
| | Weber School District | 2,660 | 6 | 3.23 | 2,784 | 8 | 3.17 |
| | University of Utah | 2,646 | 7 | 3.22 | 3,895 | 5 | 4.43 |
| | Salt Lake County | 2,605 | 8 | 3.17 | 2,813 | 7 | 3.20 |
| | Salt Lake School District | 2,343 | 9 | 2.85 | 2,520 | 9 | 2.87 |
| | Canyons School District | 2,281 | 10 | 2.77 | 2,460 | 10 | 2.80 |
| | Nebo School District | — | — | — | — | — | — |
| | Other | 37,633 | | 45.75 | 39,309 | | 44.72 |
| | Total Noncontributory System active members | | 82,259 | | 100.00% | 87,901 | |
| Contributory Retirement System | State of Utah | 269 | 1 | 13.89% | 293 | 1 | 13.71% |
| | South Jordan City | 177 | 2 | 9.14 | 196 | 2 | 9.17 |
| | Uintah County | 158 | 3 | 8.16 | 168 | 3 | 7.86 |
| | Salt Lake City Corp. | 93 | 4 | 4.80 | 104 | 5 | 4.87 |
| | Granite School District | 91 | 5 | 4.70 | 102 | 6 | 4.77 |
| | DDI Vantage | 85 | 6 | 4.39 | 94 | 7 | 4.40 |
| | University of Utah | 84 | 7 | 4.34 | 153 | 4 | 7.16 |
| | Duchesne County | 77 | 8 | 3.98 | 82 | 8 | 3.84 |
| | University of Utah Hospital | 56 | 9 | 2.89 | — | — | — |
| | Salt Lake County | 52 | 10 | 2.68 | 59 | 9 | 2.76 |
| | Salt Lake School District | — | — | — | 55 | 10 | 2.57 |
| | Other | 795 | | 41.04 | 831 | | 38.89 |
| | Total Contributory System active members | | 1,937 | | 100.00% | 2,137 | |
| Public Safety Retirement System | State of Utah | 2,317 | 1 | 31.68% | 2,390 | 1 | 31.37% |
| | Salt Lake County | 494 | 2 | 6.76 | 540 | 2 | 7.09 |
| | Salt Lake City Corp. | 452 | 3 | 6.18 | 463 | 3 | 6.08 |
| | Unified Police Department | 377 | 4 | 5.16 | 329 | 4 | 4.32 |
| | Utah County | 239 | 5 | 3.27 | 236 | 6 | 3.10 |
| | Weber County Corp. | 237 | 6 | 3.24 | 249 | 5 | 3.27 |
| | Davis County | 201 | 7 | 2.75 | 208 | 7 | 2.73 |
| | West Valley City | 172 | 8 | 2.35 | 177 | 8 | 2.32 |
| | Washington County | 129 | 9 | 1.76 | 129 | 9 | 1.69 |
| | Ogden City Corp | 122 | 10 | 1.67 | 127 | 10 | 1.67 |
| | Sandy City | — | — | — | — | — | — |
| | Other | 2,573 | | 35.18 | 2,771 | | 36.37 |
| | Total Public Safety System active members | | 7,313 | | 100.00% | 7,619 | |

Additional information will be added when it becomes available.

| 2010 | | | 2009 | | | 2008 | | | 2007 | | | 2006 | | |
|----------------|------|---------------------------------|----------------|------|---------------------------------|----------------|------|---------------------------------|----------------|------|---------------------------------|----------------|------|---------------------------------|
| Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members |
| 16,071 | 1 | 17.39% | 16,435 | 1 | 17.72% | 16,979 | 1 | 18.14% | 16,948 | 1 | 18.91% | 16,664 | 1 | 19.11% |
| 5,781 | 2 | 6.26 | 6,148 | 2 | 6.63 | 6,130 | 2 | 6.55 | 5,922 | 2 | 6.61 | 5,363 | 3 | 6.15 |
| 5,330 | 4 | 5.77 | 5,433 | 4 | 5.86 | 5,501 | 4 | 5.88 | 5,391 | 4 | 6.02 | 5,187 | 4 | 5.95 |
| 5,551 | 3 | 6.01 | 5,487 | 3 | 5.91 | 5,354 | 5 | 5.72 | 4,910 | 5 | 5.48 | 4,697 | 5 | 5.39 |
| 3,366 | 6 | 3.64 | 3,560 | 6 | 3.84 | 5,819 | 3 | 6.22 | 5,705 | 3 | 6.37 | 5,448 | 2 | 6.25 |
| 2,861 | 8 | 3.10 | 2,875 | 8 | 3.10 | 2,859 | 9 | 3.06 | 2,793 | 9 | 3.12 | 2,670 | 9 | 3.06 |
| 4,217 | 5 | 4.56 | 4,274 | 5 | 4.61 | 4,406 | 6 | 4.71 | 4,453 | 6 | 4.97 | 4,480 | 6 | 5.14 |
| 2,869 | 7 | 3.11 | 2,968 | 7 | 3.20 | 3,084 | 7 | 3.30 | 2,981 | 7 | 3.33 | 2,909 | 7 | 3.34 |
| 2,683 | 9 | 2.90 | 2,842 | 9 | 3.06 | 2,950 | 8 | 3.15 | 2,805 | 8 | 3.13 | 2,689 | 8 | 3.08 |
| 2,637 | 10 | 2.85 | 2,572 | 10 | 2.77 | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | 2,465 | 10 | 2.63 | 2,330 | 10 | 2.60 | 2,917 | 10 | 3.34 |
| 41,026 | | 44.40 | 40,172 | | 43.30 | 38,029 | | 40.64 | 35,367 | | 39.47 | 34,195 | | 39.19 |
| 92,392 | | 100.00% | 92,766 | | 100.00% | 93,576 | | 100.00% | 89,605 | | 100.00% | 87,219 | | 100.00% |
| 325 | 1 | 13.95% | 387 | 1 | 15.39% | 435 | 1 | 15.86% | 473 | 1 | 16.58% | 508 | 1 | 16.88% |
| 203 | 2 | 8.71 | 208 | 2 | 8.27 | 212 | 2 | 7.73 | 207 | 2 | 7.26 | 216 | 2 | 7.18 |
| 187 | 3 | 8.03 | 193 | 3 | 7.67 | 191 | 4 | 6.96 | 188 | 4 | 6.59 | 185 | 4 | 6.15 |
| 112 | 6 | 4.81 | 128 | 6 | 5.09 | 137 | 6 | 4.99 | 144 | 6 | 5.05 | 156 | 6 | 5.18 |
| 114 | 5 | 4.89 | 131 | 5 | 5.21 | 141 | 5 | 5.14 | 150 | 5 | 5.26 | 162 | 5 | 5.38 |
| 91 | 8 | 3.91 | 82 | 8 | 3.26 | 76 | 10 | 2.77 | — | — | — | — | — | — |
| 162 | 4 | 6.95 | 178 | 4 | 7.08 | 195 | 3 | 7.11 | 207 | 3 | 7.26 | 214 | 3 | 7.11 |
| 104 | 7 | 4.46 | 90 | 7 | 3.58 | 87 | 7 | 3.17 | 85 | 8 | 2.98 | 79 | 10 | 2.62 |
| — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 61 | 9 | 2.62 | 80 | 9 | 3.18 | 90 | 8 | 3.28 | 97 | 7 | 3.40 | 107 | 7 | 3.55 |
| 58 | 10 | 2.49 | 67 | 10 | 2.66 | — | — | — | 78 | 10 | 2.73 | 83 | 9 | 2.76 |
| 913 | | 39.18 | 971 | | 38.61 | 1,179 | | 42.98 | 1,223 | | 42.88 | 1,300 | | 43.19 |
| 2,330 | | 100.00% | 2,515 | | 100.00% | 2,743 | | 100.00% | 2,852 | | 100.00% | 3,010 | | 100.00% |
| 2,380 | 1 | 31.22% | 2,448 | 1 | 31.81% | 2,592 | 1 | 32.84% | 2,444 | 1 | 32.21% | 2,468 | 1 | 33.02% |
| 547 | 2 | 7.17 | 828 | 2 | 10.76 | 860 | 2 | 10.89 | 783 | 2 | 10.32 | 763 | 2 | 10.21 |
| 480 | 3 | 6.30 | 480 | 3 | 6.24 | 479 | 3 | 6.07 | 472 | 3 | 6.22 | 448 | 3 | 5.99 |
| 293 | 4 | 3.84 | — | — | — | — | — | — | — | — | — | — | — | — |
| 233 | 6 | 3.06 | 238 | 5 | 3.09 | 244 | 5 | 3.09 | 233 | 5 | 3.07 | 223 | 5 | 2.98 |
| 246 | 5 | 3.23 | 252 | 4 | 3.27 | 266 | 4 | 3.37 | 275 | 4 | 3.62 | 291 | 4 | 3.89 |
| 209 | 7 | 2.74 | 209 | 6 | 2.72 | 208 | 6 | 2.63 | 206 | 6 | 2.72 | 199 | 6 | 2.66 |
| 177 | 8 | 2.32 | 175 | 7 | 2.27 | 176 | 7 | 2.23 | 169 | 7 | 2.23 | 159 | 7 | 2.13 |
| 126 | 9 | 1.65 | 123 | 8 | 1.60 | 120 | 9 | 1.52 | 113 | 9 | 1.49 | 107 | 10 | 1.43 |
| 119 | 10 | 1.56 | 117 | 9 | 1.52 | 122 | 8 | 1.55 | 122 | 8 | 1.61 | 114 | 8 | 1.53 |
| — | — | — | 109 | 10 | 1.42 | 115 | 10 | 1.46 | 108 | 10 | 1.42 | 109 | 9 | 1.46 |
| 2,814 | | 36.91 | 2,716 | | 35.30 | 2,712 | | 34.36 | 2,662 | | 35.09 | 2,593 | | 34.70 |
| 7,624 | | 100.00% | 7,695 | | 100.00% | 7,894 | | 100.00% | 7,587 | | 100.00% | 7,474 | | 100.00% |

Continued on page 176.

Schedules of Principal Participating Employers (Concluded)

Year Ended December 31

| System | Employer | 2012 | | | 2011 | | |
|---|--|----------------|-------|--------------------------------|----------------|-------|---------------------------------|
| | | Active Members | Rank | Percent of Total Active Member | Active Members | Rank | Percent of Total Active Members |
| Firefighters Retirement System | Unified Fire Authority | 404 | 1 | 21.44 | 404 | 1 | 20.91% |
| | Salt Lake City Corp. | 309 | 2 | 16.40 | 314 | 2 | 16.25 |
| | Ogden City Corp. | 109 | 3 | 5.79 | 110 | 3 | 5.69 |
| | West Valley City | 92 | 4 | 4.88 | 96 | 4 | 4.97 |
| | Provo City | 74 | 5 | 3.93 | 78 | 5 | 4.04 |
| | Park City Fire Service | 72 | 6 | 3.82 | 74 | 6 | 3.83 |
| | City of West Jordan | 72 | 6 | 3.82 | 73 | 7 | 3.78 |
| | Sandy City | 69 | 8 | 3.66 | 70 | 8 | 3.62 |
| | Orem City | 67 | 9 | 3.56 | 68 | 9 | 3.52 |
| | Weber Fire District | 56 | 10 | 2.97 | — | — | — |
| | Murray City | — | — | — | 56 | 10 | 2.90 |
| | South Davis Metro Fire Agency | — | — | — | — | — | — |
| | Other | 560 | | 29.75 | 589 | | 30.49 |
| | Total Firefighters System active members | | 1,884 | | 100.00 | 1,932 | |
| Judges Retirement System | State of Utah | 111 | 1 | 100.00 | 111 | 1 | 100.00% |
| Utah Governors and Legislators Retirement Plan | State of Utah | 113 | 1 | 100.00 | 115 | 1 | 100.00% |
| Tier 2 Public Employees Contributory Retirement System | State of Utah | 1,523 | 1 | 14.71 | 600 | 1 | 12.56% |
| | Alpine School District | 1,072 | 2 | 10.35 | 574 | 2 | 12.02 |
| | University of Utah | 738 | 3 | 7.13 | 323 | 4 | 6.76 |
| | Granite School District | 638 | 4 | 6.16 | 336 | 3 | 7.03 |
| | Davis School District | 463 | 5 | 4.47 | 235 | 6 | 4.92 |
| | Jordan School District | 417 | 6 | 4.03 | 238 | 5 | 4.98 |
| | Canyons School District | 387 | 7 | 3.74 | 177 | 8 | 3.71 |
| | Nebo School District | 327 | 8 | 3.16 | 165 | 9 | 3.45 |
| | Provo School District | 310 | 9 | 2.99 | 186 | 7 | 3.89 |
| | Salt Lake School District | 302 | 10 | 2.92 | 165 | 10 | 3.45 |
| | Other | 4,179 | | 40.34 | 1,778 | | 37.22 |
| Total Tier 2 Public Employees System active members | | 10,356 | | 100.00 | 4,777 | | 100.00% |
| Tier 2 Public Safety and Firefighters Contributory Retirement System | State of Utah | 144 | 1 | 30.19 | 3 | 9 | 3.03% |
| | Salt Lake County | 46 | 2 | 9.64 | 17 | 1 | 17.17 |
| | Salt Lake City Corp. | 34 | 3 | 7.13 | 6 | 3 | 6.06 |
| | Davis County | 12 | 4 | 2.52 | 4 | 5 | 4.04 |
| | Murray City | 9 | 5 | 1.89 | — | — | — |
| | Duchesne County | 8 | 6 | 1.68 | — | — | — |
| | Cache County | 8 | 6 | 1.68 | — | — | — |
| | Utah County | 7 | 8 | 1.47 | 5 | 4 | 5.05 |
| | Layton City | 6 | 9 | 1.26 | — | — | — |
| | Unified Police Department | 6 | 9 | 1.26 | — | — | — |
| | Park City Fire Service | — | — | — | 8 | 2 | 8.08 |
| | St. George City | — | — | — | 4 | 6 | 4.04 |
| | Ogden City Corp. | — | — | — | 4 | 7 | 4.04 |
| | West Valley City | — | — | — | 4 | 8 | 4.04 |
| | Grand County | — | — | — | 3 | 10 | 3.03 |
| | Other | 197 | | 41.28 | 41 | | 41.41 |
| | Total Tier 2 Public Safety and Firefighter System active members | | 477 | | 100.00 | 99 | |

Additional information will be added when it becomes available.

| 2010 | | | 2009 | | | 2008 | | | 2007 | | | 2006 | | |
|----------------|------|---------------------------------|----------------|------|---------------------------------|----------------|------|---------------------------------|----------------|------|---------------------------------|----------------|------|---------------------------------|
| Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members |
| 356 | 1 | 18.87% | 365 | 1 | 19.14% | 352 | 1 | 19.04% | 344 | 1 | 19.42% | 229 | 2 | 13.60% |
| 312 | 2 | 16.53 | 309 | 2 | 16.20 | 324 | 2 | 17.52 | 322 | 2 | 18.18 | 330 | 1 | 19.60 |
| 111 | 3 | 5.88 | 113 | 3 | 5.93 | 111 | 3 | 6.00 | 110 | 3 | 6.21 | 106 | 3 | 6.29 |
| 100 | 4 | 5.30 | 97 | 4 | 5.09 | 97 | 4 | 5.25 | 92 | 4 | 5.19 | 88 | 4 | 5.23 |
| 64 | 9 | 3.39 | 76 | 6 | 3.99 | 75 | 6 | 4.06 | 74 | 6 | 4.18 | 77 | 5 | 4.57 |
| 77 | 5 | 4.08 | 80 | 5 | 4.20 | 80 | 5 | 4.33 | 81 | 5 | 4.57 | 75 | 6 | 4.45 |
| 73 | 6 | 3.87 | 70 | 8 | 3.67 | 72 | 8 | 3.89 | 70 | 8 | 3.95 | 73 | 7 | 4.33 |
| 70 | 7 | 3.71 | 72 | 7 | 3.78 | 75 | 7 | 4.06 | 73 | 7 | 4.12 | 72 | 8 | 4.28 |
| 68 | 8 | 3.60 | 69 | 9 | 3.62 | 66 | 9 | 3.57 | 58 | 9 | 3.27 | 54 | 9 | 3.21 |
| — | — | — | — | — | — | 55 | 10 | 2.97 | — | — | — | — | — | — |
| 60 | 10 | 3.18 | 59 | 10 | 3.09 | — | — | — | — | — | — | 51 | 10 | 3.03 |
| — | — | — | — | — | — | — | — | — | 52 | 10 | 2.94 | — | — | — |
| 596 | | 31.58 | 597 | | 31.31 | 542 | | 29.31 | 495 | | 27.95 | 529 | | 31.41 |
| 1,887 | | 100.00% | 1,907 | | 100.00% | 1,849 | | 100.00% | 1,771 | | 100.00% | 1,684 | | 100.00% |
| 109 | 1 | 100.00% | 104 | 1 | 100.00% | 106 | 1 | 100.00% | 108 | 1 | 100.00% | 106 | 1 | 100.00% |
| 125 | 1 | 100.00% | 119 | 1 | 100.00% | 97 | 1 | 100.00% | 97 | 1 | 100.00% | 105 | 1 | 100.00% |

Schedule of Utah Retirement Office Employees

Year Ended December 31

| Year | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---------------------|------|------|------|------|------|------|------|------|------|------|
| Number of employees | 163 | 161 | 161 | 165 | 164 | 156 | 154 | 156 | 160 | 156 |

Utah Retirement Systems

Schedule of Participating Employers

N / Public Employees Retirement System — Noncontributory • C / Public Employees Retirement System — Contributory
 PS / Public Safety Retirement System • F / Firefighters Retirement System • T / Tier 2 Plans
 D / 457 Plan • K / 401(k) Plan

| Employer | N | C | PS | F | T | D | K |
|---|---|---|----|---|---|---|---|
| School Districts and Education Employers | | | | | | | |
| Academy for Math, Engineering and Science Charter School | N | | | | T | | K |
| Active Re-Entry Incorporated | N | | | | T | | K |
| Alpine School District | N | C | | | T | D | K |
| Alpine Uniserv | N | | | | T | D | K |
| American Leadership Academy | N | | | | T | | K |
| Beaver School District | N | | | | T | | K |
| Bonneville Uniserv | N | | | | T | D | K |
| Box Elder School District | N | C | | | T | D | K |
| Bridgerland Applied Technology Center | N | | | | T | | K |
| Cache School District | N | C | | | T | D | K |
| Canyons School District | N | | | | T | | K |
| Carbon School District | N | C | | | T | D | K |
| Color Country Uniserv | N | | | | T | D | K |
| Daggett School District | N | C | | | T | D | K |
| Davis Applied Technology Center | N | | | | T | | K |
| Davis School District | N | C | | | T | D | K |
| Davis Uniserv | N | | | | T | D | K |
| Dixie Applied Technology College | N | | | | T | | K |
| Dixie State College | N | C | PS | | T | | K |
| Duchesne School District | N | C | | | T | D | K |
| East Hollywood High School | N | | | | T | | K |
| Educators Mutual Insurance | N | C | | | T | D | K |
| Emery School District | N | C | | | T | D | K |
| Fast Forward Charter High School | N | | | | T | | K |
| Garfield School District | N | C | | | T | | K |
| Grand School District | N | C | | | T | | K |
| Granite School District | N | C | | | T | D | K |
| Granite Uniserv | N | | | | T | D | K |
| High Desert Uniserv | N | | | | T | D | K |
| High School Activity Association | N | C | | | T | | K |
| Intech Collegiate Charter High School | N | | | | T | | K |
| Iron School District | N | C | | | T | D | K |
| Itineris High School | N | | | | T | | K |
| Jordan School District | N | C | | | T | D | K |
| Jordan Uniserv | N | | | | T | D | K |
| Juab School District | N | C | | | T | D | K |
| Kane School District | N | C | | | T | D | K |
| Liberty Academy Charter School | N | | | | T | | K |
| Logan School District | N | C | | | T | D | K |
| Master Academy, Inc. | N | | | | T | | K |
| Millard School District | N | C | | | T | | K |
| Monticello Academy | N | | | | T | | K |
| Morgan School District | N | | | | T | D | K |
| Mountainland Applied Technology Center | N | | | | T | | K |
| Murray School District | N | C | | | T | D | K |
| Nebo School District | N | C | | | T | D | K |
| Noah Webster Academy, Inc. | N | | | | T | | K |
| North Sanpete School District | N | C | | | T | D | K |
| North Summit School District | N | C | | | T | D | K |
| Northern Utah Academy of Math, Engineering and Science Charter School | N | | | | T | | K |
| Ogden School District | N | C | | | T | D | K |
| Ogden-Weber Applied Technical Center | N | C | | | T | | K |
| Ogden Weber/NEA/UEA Uniserv | N | | | | T | D | K |

| Employer | N | C | PS | F | T | D | K |
|---|---|---|----|---|---|---|---|
| Park City School District | N | C | | | T | D | K |
| Piute School District | N | C | | | T | | K |
| Provo School District | N | C | | | T | D | K |
| Recreation and Habilitation Services | N | | | | T | | K |
| Rich School District | N | C | | | T | | K |
| Salt Lake Arts Academy | N | | | | T | | |
| Salt Lake Community College | N | C | | | T | D | K |
| Salt Lake School District | N | C | | | T | D | K |
| Salt Lake/Tooele Applied Technical Center | N | | | | T | | K |
| San Juan School District | N | C | | | T | D | K |
| Sevier School District | N | C | | | T | D | K |
| Snow College | N | C | | | T | D | K |
| Soldier Hollow Charter School | N | | | | T | | K |
| South Sanpete School District | N | C | | | T | D | K |
| South Summit School District | N | | | | T | | K |
| Southern Utah University | N | C | PS | | T | | K |
| Southwest Applied Technology Center | N | | | | T | | K |
| Southwest Educational Development Center | N | | | | T | | K |
| Space Dynamics Lab/USU | N | | | | T | | K |
| Success Academy | N | | | | T | | K |
| Summit Academy Charter School | N | | | | T | | K |
| Summit Academy High School | N | | | | T | | K |
| Tintic School District | N | C | | | T | | K |
| Tooele School District | N | C | | | T | D | K |
| Tuacahn High School | N | | | | T | | K |
| Uintah Basin Applied Technology Center | N | C | | | T | D | K |
| Uintah School District | N | C | | | T | D | K |
| University of Utah | N | C | PS | | T | | K |
| Utah County Academy of Sciences | N | | | | T | | K |
| Utah Education Association | N | C | | | T | D | K |
| Utah School Boards Association | N | | | | T | | K |
| Utah School Boards Risk Man Mut Ins Assn | N | | | | T | | K |
| Utah School Employee Association | N | | | | T | D | K |
| Utah State University | N | C | PS | | T | D | K |
| Utah Uniserv | N | C | | | T | D | K |
| Utah Valley State College | N | C | | | T | D | K |
| Wasatch School District | N | C | | | T | D | K |
| Wasatch Uniserv | N | | | | T | D | K |
| Washington School District | N | C | | | T | D | K |
| Wayne School District | N | | | | T | D | K |
| Weber County School District | N | C | | | T | D | K |
| Weber State University | N | C | | | T | | K |
| Woodland Peaks Uniserv | N | | | | T | | |

State and Other Employers

| | | | | | | | |
|--|---|---|----|---|---|---|---|
| Heber Valley Historic Railroad Authority | N | | | | T | | K |
| State of Utah (also participates in the Judges Retirement System and the Governors and Legislators Retirement Plan) | N | C | PS | F | T | D | K |
| Utah Communications Agency Network | N | | | | T | | K |
| Utah Dairy Council | N | | | | T | | |
| Utah Housing Finance Agency | N | C | | | T | | K |
| Utah Retirement Systems | N | | | | T | D | K |
| Utah Safety Council | N | | | | T | | K |
| Utah State Fair Corporation | N | | | | T | | K |
| Workers Compensation Fund | N | C | | | T | D | K |

Schedule of Participating Employers (Continued)

| Employer | N | C | PS | F | T | D | K | Employer | N | C | PS | F | T | D | K | Employer | N | C | PS | F | T | D | K | |
|--|---|---|----|----|---|---|---|---------------------------|---|---|----|---|---|---|---|-----------------------|---|---|----|----|---|---|---|---|
| Counties and County Organizations | | | | | | | | | | | | | | | | | | | | | | | | |
| Beaver County | N | | PS | | T | D | K | Enterprise City | N | | | | | | | North Logan City | N | C | PS | F | T | | K | |
| Box Elder County | N | C | PS | | T | D | K | Ephraim City | N | | | | | | | North Ogden City | N | C | PS | F | T | | | |
| Cache County | N | C | PS | F | T | D | K | Escalante Town | N | | PS | | | | | North Salt Lake City | N | | PS | | T | D | K | |
| Carbon County | N | C | PS | | T | D | K | Eureka City | N | | | | | | | Oakley City | | C | | | T | | K | |
| Daggett County | N | | PS | | T | | K | Fairview City | N | | | | | | | Ogden City | N | C | PS | F | T | D | K | |
| Davis County | N | | PS | | T | D | K | Farmington City | N | | PS | F | T | | | Orangeville City | N | | | | T | | K | |
| Duchesne County | | C | PS | | T | D | K | Farr West City | N | | | | T | D | K | Orderville Town | N | | | | T | | | |
| Emery County | N | C | PS | | T | D | K | Ferron City | N | | | | T | | K | Orem City | N | C | PS | F | T | D | K | |
| Garfield County | N | C | PS | | T | D | K | Fillmore City | N | | | | T | D | K | Panguitch City | N | | | | T | | K | |
| Grand County | N | C | PS | | T | | K | Fountain Green City | N | | PS | | | | | Paragonah Town | | C | | | T | | | |
| Iron County | N | C | PS | | T | D | K | Francis Town | N | | | | | | | Park City | N | C | PS | T | | | | |
| Juab County | N | C | PS | | T | | K | Fruit Heights City | N | | | | | | | Parowan City | N | C | PS | T | | | K | |
| Kane County | N | | PS | | T | | | Garden City | N | | | | | | | Payson City | N | | PS | F | T | | K | |
| Millard County | N | C | PS | | T | D | K | Garland City | N | C | PS | | | | | Perry City | N | | PS | | T | | K | |
| Morgan County | N | | PS | | T | | K | Genola Town | N | | | | | | | Plain City | N | | | | T | | K | |
| Piute County | N | | PS | | T | | K | Goshen Town | N | | | | | | | Pleasant Grove City | N | | PS | F | T | | | |
| Rich County | | C | PS | | T | | | Grantsville City | N | | PS | | T | D | K | Pleasant View City | N | C | PS | T | D | K | | |
| Salt Lake County | N | C | PS | F | T | D | K | Green River City | N | | | | | | | Price City | N | C | PS | F | T | | K | |
| San Juan County | N | C | PS | | T | D | K | Gunnison City | N | | PS | | T | D | K | Providence City | N | | | | T | | K | |
| Sanpete County | N | C | PS | | T | | K | Harrisville City | N | C | PS | | T | | K | Provo City | N | C | PS | F | T | D | K | |
| Sevier County | N | C | PS | | T | D | | Heber City | N | | PS | | T | D | K | Randolph Town | N | | | | T | | | |
| Summit County | N | C | PS | | T | | | Helper City | N | | PS | | T | | K | Redmond Town | N | | | | T | | | |
| Tooele County | N | C | PS | F | T | D | K | Herriman City | N | | | | | | | Richfield City | N | C | PS | T | D | | | |
| Uintah County | | C | PS | | T | D | K | Highland City | N | | | | T | D | K | Richmond City | N | | | | T | | K | |
| Unified Fire Authority | N | | | PS | F | T | K | Hinckley Town | N | | | | | | | Riverdale City | N | C | PS | F | T | | K | |
| Utah County | N | C | PS | | T | D | | Holden Town | N | | | | | | | Riverton City | N | C | | F | T | D | K | |
| Wasatch County | N | | PS | | T | | K | Holladay City | N | | | | | | | Roosevelt City | N | | | PS | F | T | D | K |
| Wasatch Co. Fire Dist | N | | | F | T | | K | Hooper City | N | | | | | | | Roy City | N | C | PS | F | T | D | K | |
| Washington County | N | | PS | | T | D | K | Huntington City | N | | | | | T | K | Salem City | N | | PS | | T | D | K | |
| Wayne County | N | | PS | | T | | | Hurricane City | N | | PS | F | | | | Salina City | N | | PS | | T | | | |
| Weber County | N | C | PS | | T | D | K | Hyde Park City | N | | | | | | | Salt Lake City | N | C | PS | F | T | D | K | |
| Weber Fire District | | C | | F | T | D | K | Hyrum City | N | | | | | | | Sandy City | N | C | PS | F | T | D | | |
| Cities and Towns | | | | | | | | | | | | | | | | | | | | | | | | |
| Alpine City | N | | | | T | | K | Ivins City | N | | PS | F | T | | K | Santa Clara City | N | | | PS | | T | | K |
| Alta Town | N | | | | T | | K | Kamas City | N | | PS | | T | D | K | Santaquin City | N | | PS | | T | | K | |
| American Fork City | N | | PS | F | T | | | Kanab City | N | | PS | F | T | D | K | Saratoga Springs Town | N | | PS | F | T | | K | |
| Annabella Town | N | | | | T | | K | Kanab City | N | C | PS | | T | | K | Smithfield City | N | | PS | F | T | | K | |
| Aurora City | N | | | | T | | K | Kaysville City | N | C | PS | T | | | K | South Jordan City | | C | PS | F | T | | K | |
| Ballard City | N | | | | T | | K | LaVerkin City | | C | PS | | T | | K | South Ogden City | N | | PS | F | T | | K | |
| Beaver City | N | | | | T | | K | Layton City | N | C | PS | F | T | D | | South Salt Lake City | N | | PS | F | T | D | K | |
| Bicknell Town | N | | | | T | | | Lehi City | N | C | PS | F | T | | | South Weber City | N | | | | T | | K | |
| Blanding City | N | | PS | | T | | K | Levan Town | N | | | | | | | Spanish Fork City | N | | PS | | T | | | |
| Bluffdale City | | C | PS | | T | D | K | Lewiston City | N | | | | | | | Spring City | | C | PS | | T | | | |
| Bountiful City | N | C | PS | F | T | D | K | Lindon City | N | | PS | | T | | K | Springdale Town | N | | PS | | T | | K | |
| Brian Head Town | | C | PS | | T | D | | Lodgepole Pine | N | C | PS | F | T | D | K | Springville City | N | C | PS | F | T | | | |
| Brigham City | N | C | PS | | T | D | K | Lone Peak Safety Dist | N | | PS | F | T | | K | St. George City | N | C | PS | T | D | K | | |
| Castle Dale City | N | | | | T | | | Manila Town | | C | | | | | | Stockton Town | N | | | | T | | | |
| Cedar City | N | | PS | F | T | | K | Manti City | N | | | | | | | Sunnyside City | N | | | | T | D | K | |
| Cedar Hills City | N | | | | T | | | Mantua City | N | | PS | | T | | K | Sunset City | N | C | PS | T | D | K | | |
| Centerfield City | N | | PS | | T | | | Mapleton City | N | | PS | | T | | K | Syracuse City | N | | PS | F | T | D | K | |
| Centerville City | N | C | PS | | T | D | K | Marriott/Slaterville City | N | | | | | | | Taylorville City | N | | PS | | T | | K | |
| Clearfield City | N | | PS | F | T | D | K | Mayfield Town | N | | | | | | | Tooele City | N | C | PS | | T | D | | |
| Cleveland Town | N | | | | T | | | Meadow Town | N | | | | | | | Torrey Town | N | | | | T | | K | |
| Clinton City | N | C | PS | F | T | D | K | Mendon City | N | | | | | | | Tremonton City | N | C | PS | T | D | K | | |
| Coalville City | N | | | | T | | K | Midvale City | N | C | PS | F | T | D | | Uintah City | N | | | | T | | K | |
| Corinne City | | C | | | T | | | Midway City | N | C | | | | | | Vernal City | N | C | PS | | T | | K | |
| Cottonwood | | | | | | | | Milford City | N | | PS | | T | | K | Vineyard Town | N | | | | T | | K | |
| Heights City | N | | PS | | T | D | K | Millville City | N | | | | T | D | K | Washington City | N | | | F | T | | K | |
| Delta City | N | C | | | T | | K | Minersville Town | N | | | | | | | Washington | | | | | | | | |
| Draper City | N | | | | T | | K | Moab City | N | C | PS | | T | D | K | Terrace City | N | | PS | F | T | D | K | |
| Duchesne City | N | | | | T | | | Monroe City | N | | | | | | | Wellington City | N | | PS | | T | | K | |
| Eagle Mountain City | N | | | F | T | | | Monticello City | N | | PS | | T | | | Wellsville City | N | | | | T | | K | |
| East Carbon City | N | | PS | | T | D | K | Morgan City | N | | | | | | | Wendover City | N | | PS | | T | D | K | |
| Elk Ridge Town | N | | | | T | | K | Moroni City | N | | PS | | T | | | West Bountiful City | | C | PS | | T | | K | |
| Emery Town | | C | | | T | | K | Mt Pleasant City | N | C | PS | | T | | K | West Haven City | N | | | | T | | K | |
| | | | | | | | | Murray City | N | C | PS | F | T | D | K | West Jordan City | N | C | PS | F | T | D | | |
| | | | | | | | | Myton City | N | | | | | | | West Point City | N | | | | T | | K | |
| | | | | | | | | Naples City | | C | PS | | T | | K | West Valley City | N | C | PS | F | T | | | |
| | | | | | | | | Nephi City | N | | PS | | T | D | K | Willard City | N | | PS | | T | | | |
| | | | | | | | | Nibley City | N | | | | | | | Woods Cross City | N | C | PS | | T | D | K | |

Schedule of Participating Employers (Continued)

| Employer | N | C | PS | F | T | D | K |
|--|---|---|----|---|---|---|---|
| Other Government Entities | | | | | | | |
| Ash Creek Special Service District | N | | | | T | D | K |
| Ashley Valley Sewer Management Board | N | | | | T | | |
| Ashley Valley Water & Sewer | N | | | | T | | |
| Bear Lake Special Service District | N | | | | T | | K |
| Bear River Association of Governments | N | | | | T | D | K |
| Bear River Health District | N | C | | | T | D | K |
| Bear River Mental Health | N | | | | T | D | K |
| Bear River Water Conservancy | N | | | | T | | K |
| Beaver County Special Service District | N | | | | T | | K |
| Beaver Housing Authority | N | | | | T | | K |
| Beaver Valley Hospital | N | | | | T | | K |
| Benchland Water Company | N | | | | T | | K |
| Bona Vista Water Improvement | N | | | | T | D | K |
| Bountiful Water District | N | | | | T | D | K |
| Box Elder County Mosquito District | N | | | | T | | K |
| Cache Metro Planning Organization | N | | | | T | | |
| Canyonlands Health Care | N | | | | T | | K |
| Castle Valley Special Service District | N | C | | | T | | K |
| Cedar City Housing Authority | N | | | | T | | |
| Cedar Mountain Fire Protection District | N | | | F | T | | K |
| Central Iron County Water Conservancy District | N | | | | T | | K |
| Central Davis Sewer District | N | | | | T | D | K |
| Central Utah Counseling Center | N | | | | T | | K |
| Central Utah Public Health | N | | | | T | | K |
| Central Utah Water District | N | | | | T | D | K |
| Central Weber Sewer District | N | C | | | T | D | K |
| Children's Aid Society—Utah | N | | | | T | | K |
| Cottonwood Heights P&R Services | N | | | | T | D | K |
| Cottonwood Improvement District | N | | | | T | D | K |
| Council on Aging — | | | | | | | |
| Golden Age Center Special Service Dist. | N | | | | T | | K |
| Davis & Weber County Canal | N | C | | | T | | K |
| Davis Behavioral Health | N | | | | T | D | K |
| Davis County Housing | N | C | | | T | | K |
| Davis County Mosquito Abatement | N | | | | T | | K |
| Davis County Solid Waste Management | N | | | | T | D | K |
| DDI Advantage | N | C | | | T | | K |
| Duchesne County Mosquito District | N | C | | | T | | |
| Duchesne County Water Conservancy Dist | N | | | | T | | |
| East Duchesne Culinary Water Imp District | N | | | | T | | K |
| Emery County Care and Rehabilitation Center | N | C | | | T | D | K |
| Emery County Recreation Special Service District | N | | | | T | | K |
| Emery Water Conservancy District | N | | | | T | | K |
| Five-County Association of Governments | N | C | | | T | D | K |
| Four Corners Mental Health | N | C | | | T | D | K |
| Garden City Fire District | N | | | F | T | | |
| Grand County Cemetery Maintenance Dist | N | | | | T | | K |
| Grand County Solid Waste Management | N | | | | T | | K |
| Grand County Water Sewer /Service | N | | | | T | | |
| Granger-Hunter Improvement District | N | | | | T | D | K |
| Gunnison Valley Hospital | N | C | | | T | | K |
| Heber Light & Power | N | | | | T | D | K |
| Heber Valley Special District | N | | | | T | | |
| Hooper Water Improvement District | N | | | | T | | |
| Housing Authority of Carbon County | N | | | | T | | K |
| Housing Authority of Ogden City | N | | | | T | | |
| Housing Authority of Salt Lake City | N | C | | | T | | K |
| Housing Authority of Salt Lake County | N | | | | T | | |
| Hurricane Valley Fire Spec. Serv. District | N | | | F | T | | K |
| Impact Mitigation Special Service District | N | | | | T | | K |
| Jordan Valley Water Conservancy District | N | C | | | T | D | K |
| Jordanelle Special Service District | N | | | | T | | K |

| Employer | N | C | PS | F | T | D | K |
|--|---|---|----|---|---|---|---|
| Kane Water Conservancy District | N | | | | T | | |
| Kearns Improvement District | N | C | | | T | | K |
| Leeds Area Special Service District | N | | | F | T | | |
| Maesar Water District | N | | | | T | | K |
| Magna Mosquito Abatement | N | | | | T | | K |
| Metro Water District—SLC/Sandy | N | | | | T | D | K |
| Midvalley Improvement District | N | | | | T | | K |
| Military Installation Development Authority | N | | | | T | | K |
| Millard Country Care and Rehabilitation, Inc | N | | | | T | | |
| Moab Valley Fire District | N | | | F | T | | K |
| Mountain Regional Water Special Service District | N | | | | T | | K |
| Mountainland Association of Governments | N | C | | | T | D | K |
| Nebo Credit Union | N | | | | T | | K |
| North Davis County Sewer District | N | C | | | T | | |
| North Davis Fire District | N | | | F | T | | |
| North East Counseling Center | N | | | | T | | K |
| North Emery Water Users Special Service District | N | | | | T | | |
| North Fork Special Service District | N | | | | T | | |
| North Pointe Solid Waste Special Service District | N | | | | T | | K |
| North View Fire Agency | N | | | F | T | | |
| Oquirrh Recreation and Parks District | N | | | | T | | K |
| Park City Fire Service District | N | | | F | T | | K |
| Price River Water Improvement | N | | | | T | D | K |
| Provo Housing Authority | N | | | | T | | |
| Provo River Water Users | N | | | | T | D | K |
| Roosevelt City Housing Authority | N | | | | T | | |
| Roy Water Conservancy District | N | | | | T | | K |
| Salt Lake City Library | N | | | | T | | K |
| Salt Lake City Mosquito Abatement | N | | | | T | | K |
| Salt Lake City Sub. Sanitation #1 | N | | | | T | | K |
| Salt Lake County Service Area #3 | N | | | | T | D | K |
| San Juan Mental Health/Substance Abuse District | N | | | | T | | K |
| Sandy Suburban Improvement District | N | | | | T | | K |
| Six-County Association of Governments | N | C | | | T | D | K |
| Snyderville Basin | N | C | | | T | D | K |
| Solitude Improvement District | N | | | | T | | K |
| South Davis County Sewer Improvement District | N | C | | | T | D | K |
| South Davis County Water Improvement District | N | | | | T | | K |
| South Davis Metro Fire Agency | N | | | F | T | | K |
| South Davis Recreation Center | N | | | | T | | |
| South Ogden Conservancy District | N | | | | T | D | K |
| South Utah Valley Animal Services Special Service District | N | | | | T | | |
| South Utah Valley Electric Service District | N | | | | T | | K |
| South Utah Valley Solid Waste | N | | | | T | | K |
| South Valley Sewer District | N | C | | | T | D | K |
| South Valley Water Reclamation Facility | N | | | | T | | K |
| Southeastern Utah Assoc. of Governments | N | C | | | T | D | K |
| Southeastern Utah Health | N | C | | | T | | K |
| Southern Salt Lake Valley Mosquito Abatement | N | | | | T | | K |
| Southern Utah Valley Power System | N | | | | T | | N |
| Southwest Center | N | | | | T | | K |
| Southwest Utah Public Health Department | N | C | | | T | D | K |
| St. George Housing Authority | N | | | | T | | K |
| Summit Mosquito Abatement District | N | | | | T | | K |
| Taylor West Weber Water Improvement Dist | N | | | | T | | |
| Taylorville — Bennion Improvement | N | | | | T | D | K |
| Timber Lakes Special Service District | N | | | | T | | K |
| Timpanogos Special Service District | N | C | | | T | | |
| Tooele County Housing | N | | | | T | | K |
| Trans-Jordan Cities | N | | | | T | D | |
| Tri-City Golf Course | N | | | | T | | K |
| Tridell-Lapoint Water District | N | | | | T | | K |

Schedule of Participating Employers (Concluded)

| Employer | N | C | PS | F | T | D | K |
|---|---|---|----|---|---|---|---|
| Uintah Animal Control and Shelter Special Service District..... | N | | | | T | | K |
| Uintah Basin Assistance Council | N | | | | T | | |
| Uintah Basin Association of Government | N | | | | T | | |
| Uintah County Care Center | N | | | | T | | K |
| Uintah County Mosquito Abatement..... | N | | | | T | | K |
| Uintah Fire Suppression Special Service Dist | | | | F | T | | K |
| Uintah Highlands Improvement Dist..... | N | | | | T | | |
| Uintah Recreation District | N | | | | T | | K |
| Uintah Transportation Special Service Dist..... | N | | | | T | | K |
| Uintah Water Conservancy District..... | N | | | | T | | |
| United Police Department..... | N | | PS | | T | | K |
| Upper Country Water District | N | | | | | | |
| Utah Association of Counties..... | N | | | | T | | K |
| Utah Counties Insurance Pool..... | N | | | | T | | K |
| Utah County Housing Authority | N | C | | | T | D | |
| Utah Local Governments Trust | N | | | | T | | K |
| Utah Lake Commission | N | | | | T | | K |
| Utah League of Cities & Towns | | C | | | T | | |
| Utah Municipal Power Agency | N | | | | T | | K |
| Utah Public Employees Association..... | N | C | | | T | | K |
| Utah Telecommunication Open Infrastructure Agency..... | N | | | | T | | K |
| Utah Valley Dispatch Special Services Dist..... | N | | | | T | | K |
| Utah Zoological Society..... | N | C | | | T | | K |
| Valley Emergency Communication Center | N | | | | T | D | K |
| Valley Mental Health..... | N | C | | | T | D | K |
| Wasatch Front Regional Council..... | | C | | | T | D | K |
| Wasatch Front Waste and Recycling District | N | | | | T | | |
| Wasatch Integrated Waste Management..... | N | | | | T | D | K |
| Wasatch Mental Health Special Services District | N | C | | | T | D | K |
| Washington County Solid Waste #1 | N | | | | T | | K |
| Washington County Water District..... | | C | | | T | | K |
| Weber Area Dispatch 911 & Emergency Services District.. | N | | | | T | | K |
| Weber Basin Water Conservancy..... | N | | | | T | D | K |
| Weber County Mosquito Abatement..... | N | | | | T | D | K |
| Weber Human Services | N | | | | T | D | K |
| Weber River Water Users | | C | | | T | | K |
| Western Kane County Special Service District #1 | N | | | | T | | K |
| White City Water Improvement District | N | | | | T | | K |

Total Participating Employers

| | |
|--|-----|
| Noncontributory | 435 |
| Contributory..... | 159 |
| Public Safety | 130 |
| Firefighters | 57 |
| Judges..... | 1 |
| Governor and Legislators | 1 |
| Tier 2 Public Employees..... | 461 |
| Tier 2 Public Safety and Firefighters..... | 145 |
| 457 Plan | 162 |
| 401(k) Plan | 379 |

Employer

Inactive Units with Retirees

| | |
|--|---|
| American Fork Hospital | Reg 2 Law Enforcement Plan Agency |
| Bay Area Refuse Disposal | Salt Lake County Fair |
| Bear River Town | Salt Lake School District Credit Union |
| Bingham City | San Juan County Hospital |
| Box Elder County Nursing Home | Six-County Economic Development |
| Carbon County Hospital | Snow College South |
| Carbon Nursing Home | South Davis Fire Department |
| Cedar City Library | Southeastern Utah Economic Development |
| Central Utah Ed Ser | Statewide Assn of Prosec |
| Circleville | Sugarhouse Park Authority |
| Coalville Health Center | Summit Employment |
| College of Eastern Utah | Summit Park Water Special Service District |
| Copperton Improvement District | Thomas Edison Charter School |
| Cottage Program | Timpanogos Academy |
| Davis County Department of Human Services | Tooele Council of Aging |
| Department of Employment Security | Tooele Valley Hospital |
| Dixie Center at St. George | Trail Incorporated |
| Dixie Hospital | Twin Creeks Special Service District |
| East Layton | U of U Research Institute |
| Emery Medical Center | U S H Patients Funds |
| Four Corners Regional Hospital | Uintah Basin Counseling |
| Genola | Uintah Basin Dist Health |
| Golden Hours Homemaker | Uintah Basin Medical Center |
| Grand County Road Special Service District | Uintah County Council on Aging |
| Hiawatha Town | Uintah County Hospital |
| Honeyville Town | USU Comm Credit Union |
| I W Allen Hospital | USU Community Credit Union |
| Juab County Hospital | Ut Assn of Sec Sch Princ |
| Kanosh Town Corporation | Utah College of Applied Technology |
| Leeds Town | Utah County Council of Govt |
| Marysvale Town | Utah Industries for the Blind |
| Metro Water District — Orem | Utah Partnership for Education Economics |
| Metro Water District — Provo | Utah Technology Corporation |
| Midvale Wastewater Treatment | Washington County Association for Retarded Citizens |
| Midway Sanitation District | Wasatch County Hospital |
| Milford Valley Hospital | Wasatch County Special Service District #1 |
| Morgan County Historical Society | Weber County Hospital |
| Morgan County Library | Weber Economic Development Corp |
| Mountain America Credit Union | Weber River Water Quality |
| Nebo Credit Union | West Millard Hospital |
| New Harmony Town | West Millard Recreation |
| Northern Utah Crime | Woodland Hills City |
| Payson City Hospital | |
| Pioneer Care Center | |
| Randolph Town | |

Utah Retirement Systems

A Highlight History 1907-2012



- 1907** The Legislature authorizes the organization of local teacher retirement associations.
- 1908** Salt Lake City institutes the first teacher retirement commission. Ogden follows in 1933 and Provo in 1934.
- 1919** First statewide pension plan for all full-time paid and volunteer firemen. Actuarially unsound, the system would be transferred to the Retirement Office in 1965.
- 1921** First police pension plans in Salt Lake, Ogden, Provo, and Logan. Actuarially unsound, these plans would be transferred to the Public Safety Retirement System in 1969.
- 1927** The Prison and Industrial School Guards Retirement System is enacted. Industrial school guards join the teachers retirement system in 1937. Prison guards transfer to the Public Safety Retirement System in 1970.
- 1934** The Utah Education Association prepares a teacher retirement plan to present to the Legislature. This plan will form much of the basis for a new retirement system.
- 1937** First statewide teachers retirement system. Seven member board hires Ray L. Lillywhite as the first executive secretary.
- 1943** Utah Supreme Court rules that a retiree's statutory retirement benefit cannot be reduced, affirming the principle of vested rights. The Court would later affirm that a vested retirement benefit may not be reduced without providing a "substantial substitute."
- 1947** The State Officers' and Employees' Retirement System is created with a 3% contribution rate each by employee and employer.
Teachers in local systems are required to join the State Teachers Retirement System.
- 1948** The Utah Supreme Court permits service credit for prior service in parochial schools.
- 1949** The State Officers and Employees Retirement System is renamed The Public Employees Retirement System; it will cover all public employees and judges. Retirement benefit ceiling is \$100 a month.
- 1952** Ray Lillywhite resigns; Leonard W. McDonald is hired as second executive secretary of the Teachers Retirement System.
- 1953** The short-lived Teachers Retirement System is liquidated in favor of Social Security.
- 1954** The Teachers Retirement System is replaced by the Utah School Employees Retirement System and integrated with Social Security to preserve its solvency. Local teacher retirement associations are terminated.

A Highlight History 1907-2012 *(Continued)*

- 1957** Minimum monthly retirement benefit is \$85.
- 1959** The Utah State Public Employees Association is formed with the intent to produce a comprehensive plan for a statewide public employee retirement system.
- 1961** The Public Employees Retirement System is created with a seven member board.
- The public employees and teachers retirement systems retain separate boards but unite under a single administrator and office.
- 1963** Creation of a single board for all retirement systems is the crowning achievement in Utah public retirement history and the birth of today's Utah Retirement Systems.
- 1967** The heretofore separate school and public retirement systems are consolidated into a single Utah State Retirement System.
- 1969** The Utah Public Safety Retirement Act covers all public safety employees engaged full time in hazardous duty. Benefits were uniform in each jurisdiction, but contribution rates varied.
- 1971** Members gain a salary deferral program.
- 1975** Current service formula rises from 1.25% to 2%. The cost-of-living ceiling rises to 4%.
- 1976** Leonard W. McDonald retires. Bert D. Hunsaker becomes executive director.
- 1977** Governor Scott Matheson dedicates the new Leonard W. McDonald Building for the Utah Retirement Systems.
- 1979** Board gains custody of the retirement fund and greater investment authority.
- 1982** The court affirms that the Board is independent of the executive department and has authority to hire its own legal counsel.
- 1983** The Retirement Board sees its first actuarial surplus as new investments prove their worth; hires a full-time investment manager.
- 1986** Public Employees Noncontributory Retirement System debuts: employers pay all contributions; 3-year final average salary; State and education employers pay 1.5% of salary into URS' 401(k) Plan. Employees forfeit access to contributions, but the new system portends a superior career retirement.
- 1987** A "25-and-out" retirement incentive plan permits public employees to retire after 25 years with no actuarial reduction; and increases to 2% the value of each year of service. Over 3000 employees take advantage of its 6-month window.
- 1989** The U.S. Supreme Court rules that if federal retirement benefits are taxable, then state-provided retirement benefits cannot be exempt. Legislature grants a 3% substantial substitute benefit for affected members.
- Bert Hunsaker steps down. Dee Williams becomes executive director.
- The Public Safety Noncontributory Retirement System is created.
- The Systems' assets nearly quadruple from \$1 billion to \$3.85 billion during the 1980s.
- 1990** Public Employees Noncontributory Retirement members receive 2% for all years of service.
- 1994** URS begins dividing pension, death, and DC benefits after court rules that a former spouse may be awarded death and retirement benefits, whether or not the spouse remarries.
- 1995** Members with 25 years of service in the Public Employees Noncontributory System may buy future service credit to permit immediate retirement.
- 1996** URS recovers 100% of member assets originally invested in Guaranteed Investment Contracts that failed when Confederation Life Insurance Company of Canada was declared insolvent in August 1994.
- 1997** Judges Noncontributory Retirement System is created.
- The URS DC video receives a Telly Award — the commercial equivalent of an "Oscar" for motion pictures; URS' publication for retirees, *Cycles*, places second worldwide among corporate and institutional newsletters.
- Legislature affirms the Board's authority to define provisions and terms of the retirement code.
- 1998** The 401(k) Plan launches a bold marketing program to help members better map a retirement investment strategy. Investment options are enhanced and expanded.
- State employees at retirement may defer 25% of accumulated sick leave to the 401(k) Plan, convert it to paid-up health or Medicare supplement insurance or take it as cash.

A Highlight History 1907-2012 *(Concluded)*

- 1999** Members may buy up to five years of future service credit, even if it exceeds the years required to retire.
- Leonard W. McDonald, director of the Utah Retirement Systems 1952-1976 and to whom much of the structure of the Systems can be attributed, dies.
- Dee Williams retires. Robert V. Newman becomes executive director.
- Systems' assets rise from \$3.85 billion to over \$13 billion during the 1990s.
- 2000** 401(k) Plan participants may now apply for a fixed rate loan for any purpose of up to 50% of his or her 401(k) account balance.
- 2001** A value stock fund joins the menu of DC investment options.
- URS website calculators invite members to estimate pension benefits and compute potential 401(k)/457 earnings.
- 2002** The Olympic Winter Games are staged in Salt Lake City. URS adopts telecommuting.
- 457 Plan permits deferrals up to 100% of includable compensation; offers a new catch-up feature; drops irrevocable withdrawal decisions; allows rollovers to any acceptant 457, 403(b), 401(k), or IRA; allows use for URS pension redeposits or to buy URS service credit.
- Internet-based personal retirement account manager, myURS, lets members view and transfer account balances, alter deferrals, estimate payouts, integrate Social Security, and more.
- 2003** To protect 401(k) and 457 investors from the costs of others' adverse trading activities, URS restricts frequent trading privileges. Systems' assets are \$14.2 billion.
- 2004** Ray L. Lillywhite, executive secretary of the Teachers Retirement System from 1937 to 1952, dies.
- 2005** Legislature repeals 1998 benefit allowing 25% of a state employee's accumulated sick leave to be converted to other retirement benefits.
- 2006** Members gain a partial lump-sum payment option (PLSO) at retirement.
- 2007** Retirement Systems' assets reached \$23.9 billion.
- Members of the Public Safety Contributory Retirement System gain a window to convert to the Public Safety Noncontributory System.
- 2008** The Retirement Systems pay over \$1,000,000,000 in annual benefits.
- 2009** New online enrollment feature at urs.org offers simple, convenient way to enroll for benefits electronically.
- IRS Private Letter Ruling confirms URS 457 Plan is an eligible deferred compensation plan as defined in IRC Section 457(b).
- 2010** Retirees who resume work for a URS employer within a year after retiring will be returned to active status to earn further service credit and may thereafter choose between retirement allowance options.
- 2011** URS creates the Tier 2 Retirement System for members initially entering full-time employment with a participating employer on or after July 1, 2011. These employees choose to participate in either the Tier 2 Hybrid Retirement System or the Tier 2 Defined Contribution (DC) Plan.
- The URS Defined Contribution Department introduces a new and expanded set of asset classes within the Horizon Funds. The changes bring a broader, more diversified mix of securities to the Horizon Funds and offer inflation protection as well as exposure to real estate and commodities.
- 2012** Legislative bills brought about four noteworthy changes for the Utah Retirement Systems. First, the executive director of the Department of Corrections is now allowed to exempt from the Tier 1 Noncontributory Retirement System. Second, Tier 2 firefighters, including volunteers, are covered under the PEHP long-term disability policy. Third, certain Tier 2 Retirement Systems at-will employees are allowed to exempt from the 4-year vesting requirements. And fourth, new legislators and governors will not receive post-retirement health benefits.

Systems and Plans Statistical Highlights

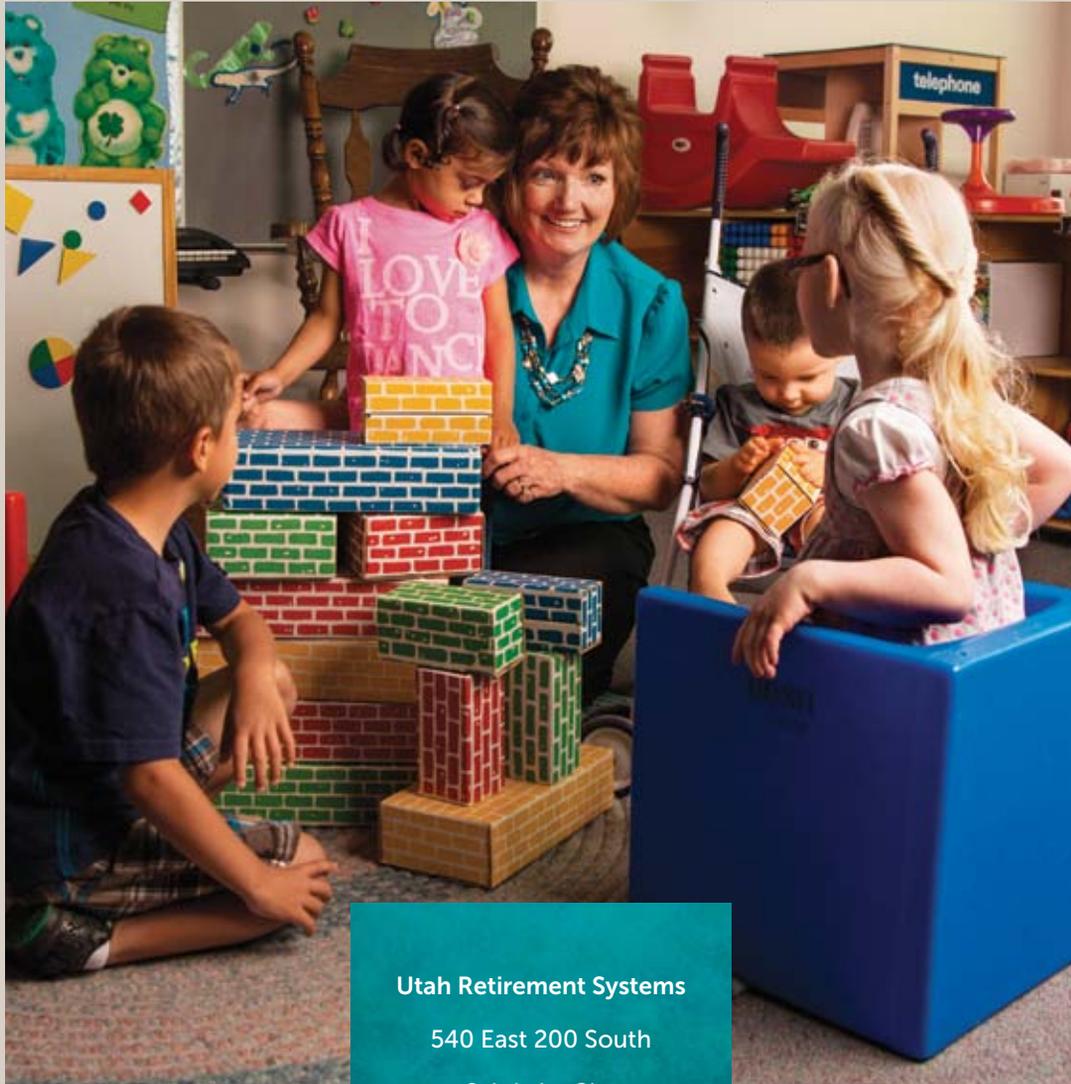
Year Ended December 31, 2012

Defined Benefit Systems

| | Noncontributory | Contributory | Public Safety | Firefighters | Judges | Governors and Legislators | Tier 2 Public Employees | Tier 2 Public Safety and Firefighters | Averages and Totals All Systems |
|---|-----------------|--------------|---------------|--------------|---------|---------------------------|-------------------------|---------------------------------------|---------------------------------|
| Membership Information | | | | | | | | | |
| Total Membership | 157,834 | 7,464 | 14,494 | 3,254 | 232 | 418 | 10,356 | 477 | 194,529 |
| Active | 82,259 | 1,937 | 7,313 | 1,884 | 111 | 113 | 10,356 | 477 | 104,450 |
| Terminated vested | 35,119 | 1,157 | 2,889 | 166 | 4 | 81 | — | — | 39,416 |
| Retired | 40,456 | 4,370 | 4,292 | 1,204 | 117 | 224 | — | — | 50,663 |
| Total 2012 Active Members | 82,259 | 1,937 | 7,313 | 1,884 | 111 | 113 | 10,356 | 477 | 104,450 |
| Average age | 47.2 | 53.6 | 40.5 | 40.6 | 57.4 | 53.4 | 34.0 | 29.6 | 45.4 |
| Average years of service | 12.3 | 22.1 | 9.6 | 11.2 | 10.7 | 6.7 | 0.6 | 0.6 | 11.0 |
| Average annual salary | \$ 44,828 | 50,504 | 48,416 | 56,507 | 132,644 | NA | 27,030 | 33,394 | 43,629 |
| 2012 Retirees | | | | | | | | | |
| Number | 2,745 | 184 | 195 | 35 | 4 | 8 | — | — | 3,171 |
| Average age | 63.8 | 61.9 | 54.9 | 56.3 | 63.9 | 65.4 | — | — | 63.1 |
| Average years of service | 19.8 | 27.9 | 21.4 | 26.1 | 24.5 | 7.2 | — | — | 20.4 |
| Final average annual salary | \$ 46,004 | 47,817 | 57,356 | 71,280 | 132,290 | NA | — | — | 47,079 |
| Average annual benefit | \$ 17,894 | 24,303 | 28,745 | 42,510 | 94,702 | 2,264 | — | — | 19,263 |
| Average annual benefit —all retirees | \$ 20,841 | 14,863 | 27,693 | 32,584 | 74,705 | 3,160 | — | — | 21,231 |
| Financial Information | | | | | | | | | |
| Changes in Net Assets <i>(in thousands)</i> | | | | | | | | | |
| Contributions | \$ 659,921 | 18,667 | 119,130 | 34,824 | 5,898 | 214 | 14,208 | 1,031 | 853,893 |
| Investment income | 2,000,995 | 131,169 | 266,753 | 96,255 | 15,485 | 1,100 | 922 | 56 | 2,512,735 |
| Pension benefits | 900,132 | 70,629 | 128,153 | 43,316 | 9,135 | 815 | — | — | 1,152,180 |
| Net assets at market value | \$17,629,437 | 1,136,651 | 2,366,057 | 853,778 | 136,127 | 9,445 | 17,933 | 1,171 | 22,150,599 |
| Actuarial Information | | | | | | | | | |
| Funding Progress <i>(dollars in thousands)</i> | | | | | | | | | |
| Actuarial value of assets | \$17,007,940 | 1,094,885 | 2,283,777 | 824,060 | 131,217 | 9,077 | 17,818 | 1,161 | 21,369,935 |
| Actuarial accrued liability | \$22,361,197 | 1,285,972 | 3,129,084 | 955,668 | 175,817 | 12,323 | 17,890 | 1,157 | 27,939,108 |
| Unfunded (overfunded) actuarial accrued liability | \$ 5,353,257 | 191,087 | 845,307 | 131,608 | 44,600 | 3,246 | 72 | (4) | 6,569,173 |
| Funded ratios | 76.1% | 85.1% | 73.0% | 86.2% | 74.6% | 73.7% | 99.6% | 100.3% | 76.5% |

Defined Contribution Plans

| | 401(k) | 457 | Roth IRA | Traditional IRA | Health Reimbursement Arrangement (HRA) | Total |
|--|-------------|---------|----------|-----------------|--|-----------|
| Membership Information | | | | | | |
| Number of Active Employees Eligible to Participate | 104,410 | 98,052 | 104,450 | 104,450 | 1,899 | |
| Employee contributions (excluding employer contributions): | | | | | | |
| Number of employees contributing | 39,362 | 8,251 | 2,949 | 215 | NA | |
| Percent of eligible employees contributing | 37.7% | 8.4% | 2.8% | 0.2% | NA | |
| Average percent of salary deferred by employees | 5.7% | 6.0% | 3.7% | 2.8% | NA | |
| Total participants | 150,242 | 16,623 | 3,996 | 891 | 1,899 | |
| Average participant account balance | \$ 21,385 | 21,680 | 8,446 | 43,316 | 6,039 | |
| Financial Information | | | | | | |
| Changes in Net Assets <i>(in thousands)</i> | | | | | | |
| Contributions | \$ 218,888 | 24,501 | 7,685 | 9,799 | 4,092 | 264,965 |
| Net investment income | 313,374 | 35,065 | 3,256 | 2,811 | 22 | 354,528 |
| Refunds | 194,538 | 19,877 | 1,538 | 3,967 | 1,736 | 221,656 |
| Total net assets | \$3,212,874 | 360,381 | 33,750 | 38,595 | 11,469 | 3,657,069 |



Utah Retirement Systems
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Salt Lake City
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www.urs.org

Pictured above: ANNETTE LOVELAND (Teacher) with Richard, Kalinka, Christopher and Alinna, Utah School of the Deaf and Blind, Ogden

Pictured on the front cover: ERIC HOCKRIDGE, Firefighter, Park City Fire District, Park City