

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2017

Note 5 / Net Pension Liability of Employers

The net pension liability (i.e., the retirement system's liability determined in accordance with GASB Statement No. 67 less the fiduciary net position) as of December 31, 2017, is as shown below.

Actuarial valuation of the ongoing Systems involves estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The most recent experience study was conducted for the year ended December 31, 2016. The Schedule of Employers' Net Pension Liability presents multi-year trend information about whether the plan fiduciary net positions

are increasing or decreasing over time relative to the total pension liability. These schedules are presented in the Required Supplementary Information section. The Total Pension Liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures.

A summary of the actuarial assumptions as of the latest actuarial valuation is shown on page 83 and are based on the results of the most recent experience study. The board decreased the assumed investment return from 7.20% to 6.95%, and the decrease in the assumed inflation rate from 2.60% to 2.50%. With the decrease

Net Pension Liability of Employers

(dollars in thousands)

System	(1) Total Pension Liability	(2) Plan Fiduciary Net Position	(3) Employers' Net Pension Liability/(Asset) (1) - (2)	(4) Plan Fiduciary Net Position as a % of the Total Pension Liability (2) / (1)	(5) Projected Covered Employee Payroll	(6) Net Pension Liability/(Asset) as a % of Covered Employee Payroll (3) / (5)
Noncontributory Retirement System	\$ 28,088,619	\$ 25,205,127	\$ 2,883,492	89.7%	\$ 3,375,321	85.4 %
Contributory Retirement System	1,298,183	1,283,466	14,717	98.9	45,177	32.6
Public Safety Retirement System	4,085,203	3,576,517	508,686	87.5	350,782	145.0
Firefighters Retirement System	1,205,727	1,234,407	(28,680)	102.4	112,953	(25.4)
Judges Retirement System	231,069	198,483	32,586	85.9	18,661	174.6
Utah Governors and Legislative Retirement Plan	13,074	11,220	1,854	85.8	722	256.8
Tier 2 Public Employees System	338,035	329,218	8,817	97.4	996,965	0.9
Tier 2 Public Safety and Firefighters System	39,023	40,180	(1,157)	103.0	98,113	(1.2)
Total	\$ 35,298,933	\$ 31,878,618	\$ 3,420,315	90.3%	\$ 4,998,694	68.4%