

Notes to the Basic Financial Statements (Continued)

December 31, 2019



B) Retirement and Death Benefits

The Systems' benefits are specified by the statute listed in Note 1 (A). The 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 \$1,420 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate

of \$30.80 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 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.

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 Firefighter 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 6 years age 70	20 years any age 10 years age 60 4 years age 65 6 years age 70	25 years any age 20 years age 55* 10 years age 62 4 years age 65	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*
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, 1989, there may be a 3% benefit enhancement.