

Notes to the Basic Financial Statements (Continued)

December 31, 2016

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, 2016, 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 last experience study was performed in 2014 and the next experience study is scheduled to be conducted in 2017. 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, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures.

A summary of the actuarial assumptions as of the latest actuarial valuation is shown on page 81 and are based on the results of the most recent experience study except for the decrease in the assumed investment return from 7.50% to 7.20%, and the decrease in the assumed inflation rate from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year’s assumption.



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	\$26,501,781	\$22,618,743	\$3,883,038	85.3%	\$3,406,567	114.0%
Contributory Retirement System	1,292,512	1,204,904	87,608	93.2	53,615	163.4
Public Safety Retirement System	3,794,880	3,176,545	618,335	83.7	352,407	175.5
Firefighters Retirement System	1,129,729	1,115,726	14,003	98.8	112,322	12.5
Judges Retirement System	210,623	175,618	35,005	83.4	16,755	208.9
Utah Governors and Legislators Retirement Plan	12,654	10,352	2,302	81.8	799	288.1
Tier 2 Public Employees System	228,450	217,293	11,157	95.1	822,196	1.4
Tier 2 Public Safety and Firefighter System	24,266	25,135	(869)	103.6	74,834	(1.2)
Total	\$33,194,895	\$28,544,316	\$4,650,579	86.0%	\$4,839,495	96.1%