

# Utah Retirement Systems

*A Component Unit of the State of Utah*

## *2011 Comprehensive Annual Financial Report*

*For the Year Ended December 31, 2011*



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 & Firefighters  
Contributory Retirement System  
401(k) and 457 Plans  
Roth and Traditional IRA Plans  
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, 2010

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



*Linda C. Danson*  
President

*Jeffrey R. Emery*  
Executive Director



Public Pension Coordinating Council

**Public Pension Standards Award  
For Funding and Administration  
2011**

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

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401(k) and 457 Plans  
Roth and Traditional IRA Plans  
Health Reimbursement  
Arrangement (HRA)



Prepared by: Finance Department • Utah Retirement Systems  
540 East 200 South • Salt Lake City, Utah 84102-2044  
[www.urs.org](http://www.urs.org)

Robert V. Newman, Executive Director  
Robert K. Kellersberger, Finance Director

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**Introductory**  
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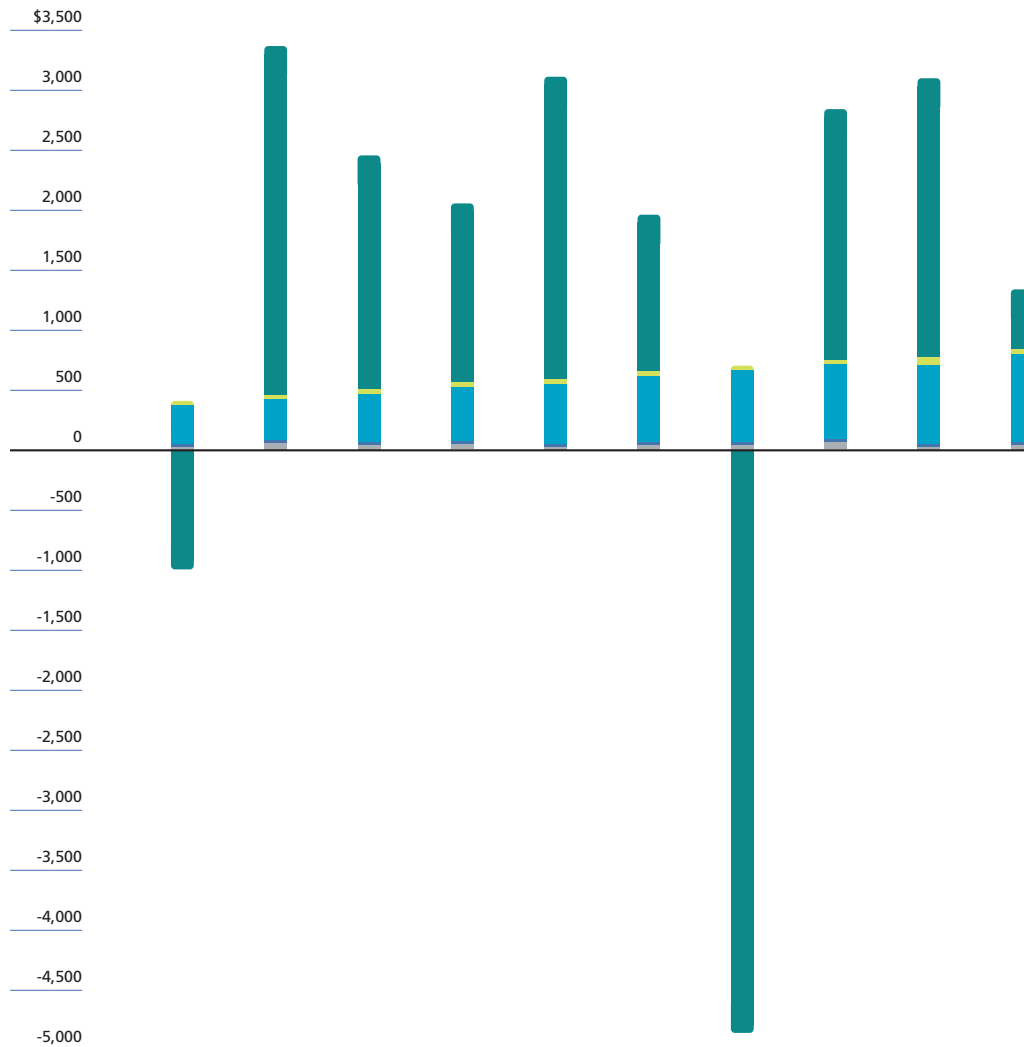
**Introductory**  
*2011 Comprehensive Annual Financial Report*

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## All Retirement Systems

# Additions by Source

(in millions)



(in millions)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net investment income (loss)	\$(999)	2,929	1,949	1,491	2,518	1,304	(4,862)	2,088	2,328	502
Member contributions	31	31	35	42	45	41	36	36	60	39
Employer contributions	341	369	436	479	523	581	629	647	682	739
Court fees and fire insurance tax	12	11	10	11	11	16	12	18	13	15
Transfers from systems	15	37	16	25	6	12	15	44	7	37
<b>Totals</b>	<b>\$(600)</b>	<b>3,377</b>	<b>2,446</b>	<b>2,048</b>	<b>3,103</b>	<b>1,954</b>	<b>(4,170)</b>	<b>2,833</b>	<b>3,090</b>	<b>1,332</b>

# 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 TOLL FREE  
801-366-7734 FAX

ROBERT V. NEWMAN  
EXECUTIVE DIRECTOR

April 18, 2012

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

Dear Board Members:

We are pleased to present the 2011 Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems), including the 401(k), 457, Roth and Traditional IRA Plans, 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 2011.

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 IRA Plans, 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 IRA Plans, 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 151. The number of active and retired members and benefici-

## Letter of Transmittal *(Continued)*

aries 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.

### Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) beginning on page 32 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 that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that 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 32.

### 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 five-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 five-year period. This is the value of assets used by the actuary in determining contribution rates for the Systems as disclosed in note 5 to the basic financial statements. The current funded ratios at year end range from 73% to 101%.

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 that their pension benefits are secure.

### Investments

The economic condition of the Systems is based primarily upon investment earnings. For 2011 the Systems experienced a 2.9% 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 *(Continued)*

The investment portfolio mix at fair value as of the end of 2011 is 19% debt securities, 35% equities, 11% private equity, 14% real assets, 5% short term, and 16% absolute return. The 19% debt securities is comprised of 15% domestic and 4% international instruments. The 35% equities is comprised of 22% domestic and 13% 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 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 \$24.0 billion in investments at fair value as of December 31, 2011, 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, 2010. 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 27 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

In addition the Utah Retirement Systems were awarded the Public Pension Coordinating Council Public Pension Standards 2011 Award. This award is in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

### Acknowledgments

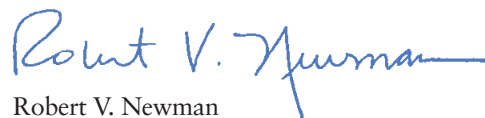
The compilation of this reflects the combined efforts of the staff under the leadership of the Utah State Retirement Board. The report is intended to provide extensive and reliable information for making management decisions, determining compliance with legal provisions, and determining responsible stewardship 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 TOLL FREE  
801-366-7734 FAX

ROBERT V. NEWMAN  
EXECUTIVE DIRECTOR

April 18, 2012

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.

Despite volatile financial markets in 2011 URS returned a positive investment performance for the year of 2.89%. This translated into net investment income of \$502 million. Assets of the systems increased by \$197 million ending 2011 with total assets of \$20 billion. These figures reflect the Systems' diversified investment strategy which seeks to maximize long-term total returns consistent with prudent levels of risk. At December 31, 2011 the actuarial funded status of the Retirement Systems was 78.3% 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. Members contributed \$251 million and at year end, defined contribution assets were \$3.3 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.



Kathy Jones-Price  
President, Utah State Retirement Board

All Retirement Systems  
**Retirement Board**



*Pictured Left to Right*

**John L. Lunt**  
 Appointed July 20, 2001  
 Term Expires July 1, 2013  
 Represents Investment Community

President

**Kathryn D. Jones-Price**  
 Appointed March 5, 2004  
 Term Expires July 1, 2013  
 Represents Investment Community

**Phillip W. Clinger**  
 Appointed June 21, 2002  
 Term Expires July 1, 2013  
 Represents Investment Community

Vice President

**Richard K. Ellis**  
 State Treasurer  
 Member Since Jan. 5, 2009  
 Ex-officio Member

**Scott G. Berryessa**  
 Appointed Sept. 15, 2010  
 Term Expires July 1, 2015  
 Represents Education Employees

**Sheri K. Nelson**  
 Appointed Sept. 15, 2010  
 Term Expires July 1, 2015  
 Represents Public Employees

**Executive  
 Director**



*Robert V. Newman*

**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

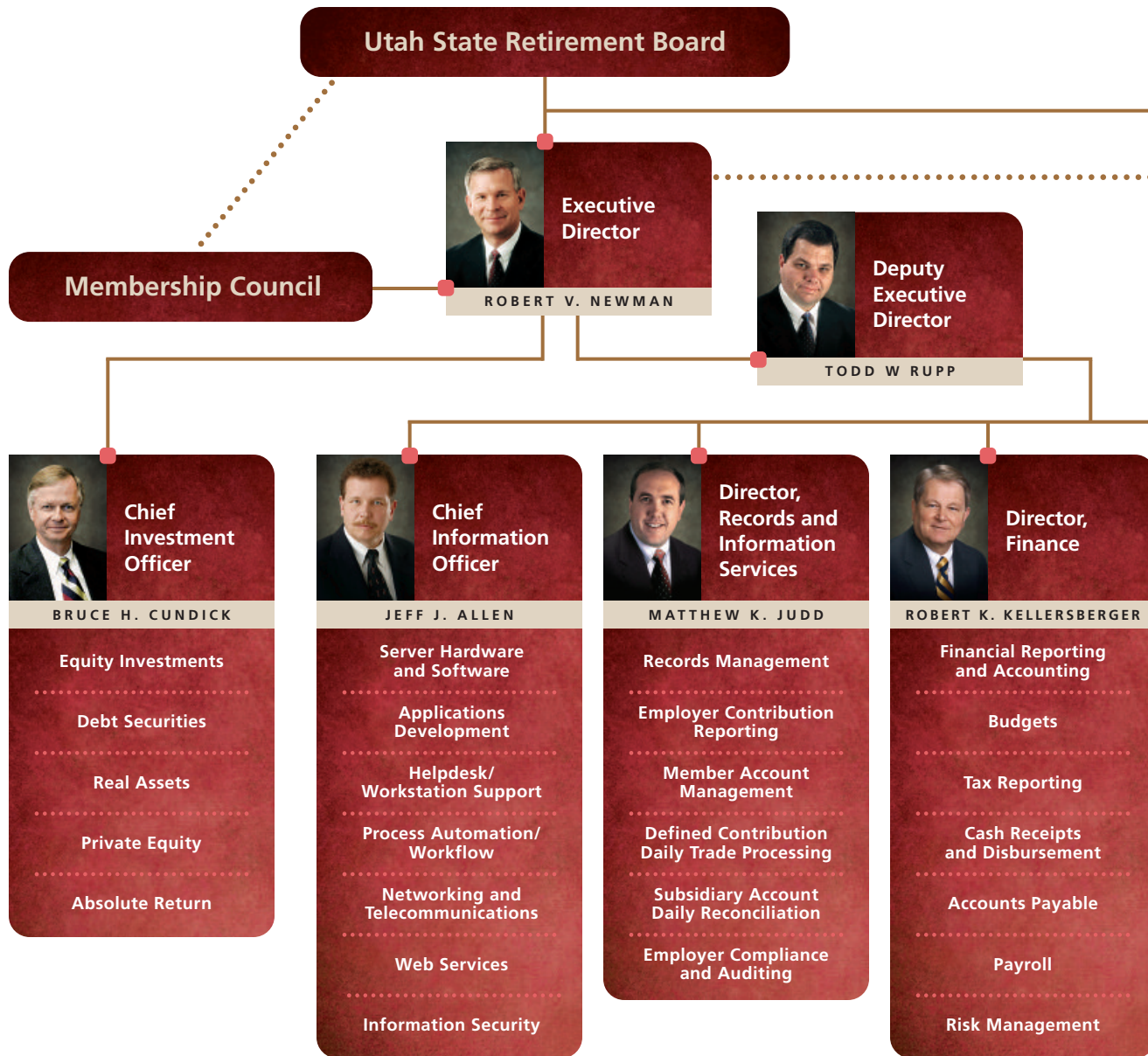
**Mr. Tom Hardy**  
 Represents Utah League  
 of Cities and Towns

**Mr. Tom Nedreberg**  
 Represents Utah  
 Education Association

**Mr. Anthony Romanello**  
 Represents Utah  
 Education Association

**Mr. Barry Vincent**  
 Represents Utah  
 Association of Retired  
 Public Employees

# 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**

CRAIGE 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, Purchases  
and Adjustments

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

Utah Retirement Systems

# 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.

### Composite Picture

Total Membership.....158,901  
Active .....87,901  
Terminated vested .....32,784  
Retired.....38,216

2011 Active Members.....87,901  
Average age .....46.2  
Average years of service.....11.3  
Average annual salary .....\$43,308

### 2011 Retirees

Number .....2,629  
Average age .....63.5  
Average years of service.....20.7  
Final average annual salary .....\$47,374  
Average annual benefit .....\$19,159

Average annual benefit  
— all retirees .....\$20,618

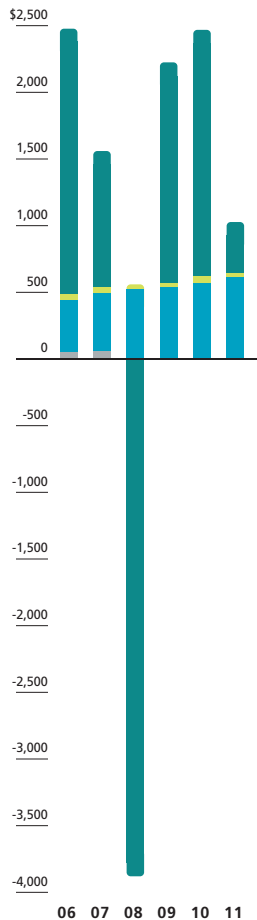


Pictured: JACK L. ROWE, Elevator Inspector, Utah Labor Commission, Salt Lake City

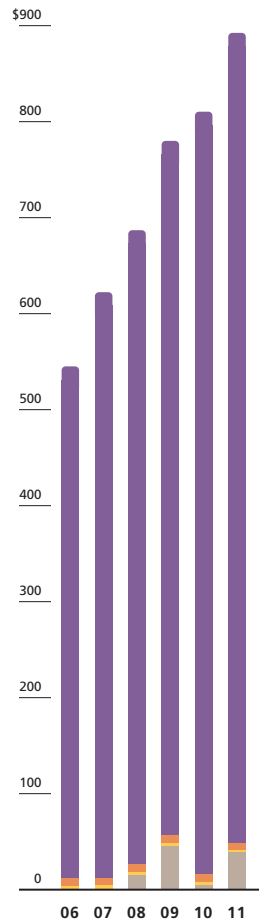
## Noncontributory Retirement System Highlights *(Continued)*

	2006	2007	2008	2009	2010	2011
<b>Additions by Source</b> <i>(in millions)</i>						
Investment income (loss)	\$2,006.7	1,041.4	(3,888.6)	1,667.5	1,861.0	401.1
Member contributions	22.6	18.2	14.1	14.1	33.5	12.9
Employer contributions	440.4	487.8	522.7	535.3	564.2	610.3
Transfers from systems	0.1	7.2	—	—	—	—
<b>Totals</b>	<b>\$2,469.8</b>	<b>1,554.6</b>	<b>(3,351.8)</b>	<b>2,216.9</b>	<b>2,458.7</b>	<b>1,024.3</b>
<b>Deductions by Type</b> <i>(in millions)</i>						
Benefit payments	\$ 533.2	609.5	659.8	723.1	793.8	843.7
Administrative expense	7.9	8.3	8.8	8.3	8.4	7.3
Refunds	2.8	3.4	2.5	2.9	3.6	2.5
Transfers to systems	—	—	14.5	44.4	3.2	37.5
<b>Totals</b>	<b>\$ 543.9</b>	<b>621.2</b>	<b>685.6</b>	<b>778.7</b>	<b>809.0</b>	<b>891.0</b>
<b>Funding Progress</b> <i>(dollars in billions)</i>						
Actuarial value of assets	\$ 14.4	16.2	15.8	16.6	16.9	16.9
Accrued actuarial liability	\$ 15.1	17.0	18.3	19.4	20.5	21.5
<b>Funding ratios</b>	<b>96%</b>	<b>95%</b>	<b>87%</b>	<b>86%</b>	<b>82%</b>	<b>79%</b>

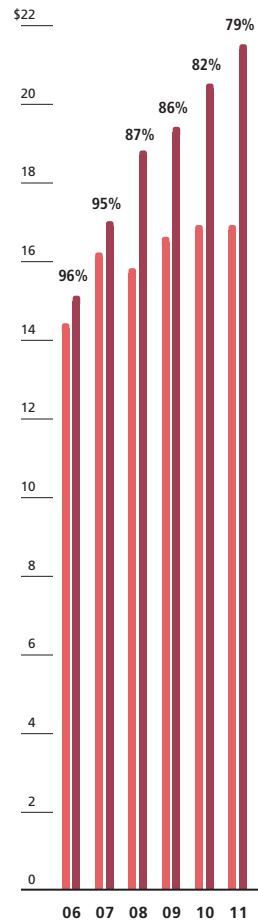
**Additions by Source**  
*(in millions)*



**Deductions by Type**  
*(in millions)*



**Funding Progress with Funding Ratios**  
*(dollars in billions)*



### 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 12-31-2011)*

Employer rate for the State and School Division (Level A) is 16.86% of covered salary and 13.77% for the Local Government Division (Level B).

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

Utah Retirement Systems

# 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.

### Composite Picture

Total Membership.....	7,905
Active .....	2,137
Terminated vested .....	1,216
Retired.....	4,552

2011 Active Members.....	2,137
Average age .....	52.8
Average years of service.....	21.4
Average annual salary .....	\$48,806

### 2011 Retirees

Number .....	177
Average age .....	61.3
Average years of service.....	27.2
Final average annual salary .....	\$44,745
Average annual benefit .....	\$22,031

Average annual benefit	
— all retirees .....	\$13,777



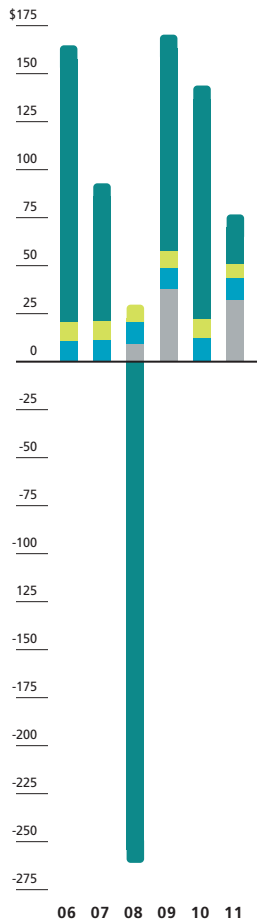
Pictured: LAURIEN DAY, Communication Center Manager, South Jordan City



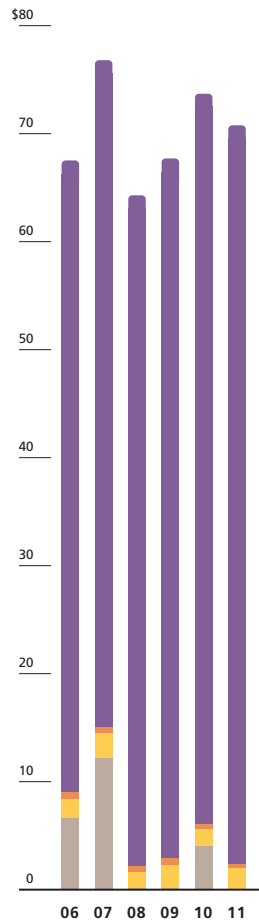
## Contributory Retirement System Highlights *(Continued)*

	2006	2007	2008	2009	2010	2011
<b>Additions by Source</b> <i>(in millions)</i>						
Investment income (loss)	\$ 144.0	71.6	(261.2)	112.6	121.2	26.0
Member contributions	9.5	9.7	9.4	8.7	10.3	7.3
Employer contributions	10.7	11.2	11.0	10.9	11.9	11.1
Transfers from systems	—	—	9.0	37.6	—	32.1
<b>Totals</b>	<b>\$ 164.2</b>	<b>92.5</b>	<b>(231.8)</b>	<b>169.8</b>	<b>143.4</b>	<b>76.5</b>
<b>Deductions by Type</b> <i>(in millions)</i>						
Benefit payments	\$ 58.5	61.7	62.1	64.8	67.6	68.4
Administrative expense	0.6	0.6	0.6	0.6	0.5	0.4
Refunds	1.8	2.3	1.5	2.2	1.6	1.9
Transfers to systems	6.5	12.1	—	—	3.9	—
<b>Totals</b>	<b>\$ 67.4</b>	<b>76.7</b>	<b>64.2</b>	<b>67.6</b>	<b>73.6</b>	<b>70.7</b>
<b>Funding Progress</b> <i>(dollars in millions)</i>						
Actuarial value of assets	\$1,004.5	1,102.1	1,097.7	1,116.7	1,090.3	1,080.1
Accrued actuarial liability	\$1,063.0	1,170.3	1,218.6	1,236.0	1,265.1	1,278.3
<b>Funding ratios</b>	<b>94%</b>	<b>94%</b>	<b>90%</b>	<b>90%</b>	<b>86%</b>	<b>84%</b>

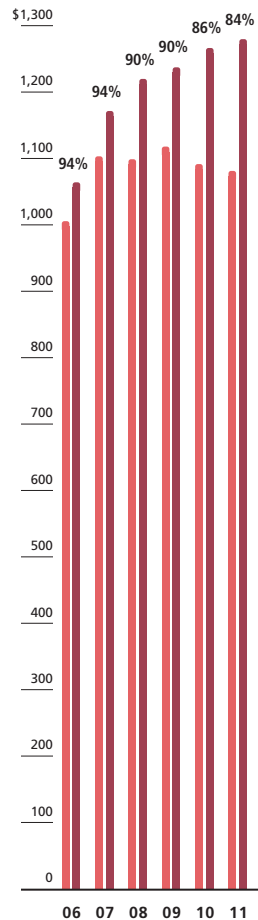
**Additions by Source**  
*(in millions)*



**Deductions by Type**  
*(in millions)*



**Funding Progress with Funding Ratios**  
*(dollars in millions)*



### 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 12-31-2011)*

Member rate is 6.00% of covered salary. Employer rate for State and School Division (Level A) is 12.37% of covered salary and 9.76% for the Local Government Division (Level B).

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

Utah Retirement Systems

# 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.

### Composite Picture

Total Membership.....14,528  
Active .....7,619  
Terminated vested .....2,784  
Retired.....4,125

2011 Active Members.....7,619  
Average age .....39.7  
Average years of service.....8.8  
Average annual salary .....\$47,329

### 2011 Retirees

Number .....157  
Average age .....53.9  
Average years of service.....21.8  
Final average annual salary .....\$58,709  
Average annual benefit .....\$30,190

Average annual benefit  
— all retirees .....\$27,182

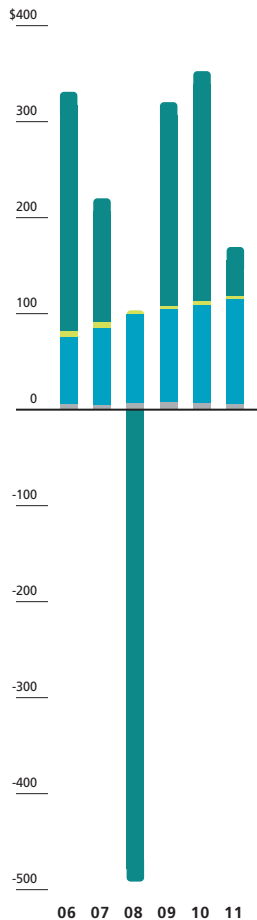


Pictured: GREG SMITH, Campus Police Officer, Utah Valley University, Orem

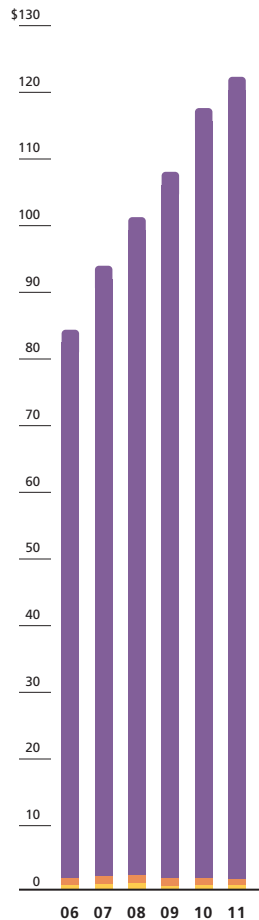
## Public Safety Retirement System Highlights *(Continued)*

	2006	2007	2008	2009	2010	2011
<b>Additions by Source</b> <i>(in millions)</i>						
Investment income (loss)	\$ 250.8	130.7	(491.0)	213.6	241.2	52.7
Member contributions	4.6	4.3	2.2	1.6	1.7	1.1
Employer contributions	70.5	81.2	93.9	98.7	103.6	110.8
Transfers from systems	3.3	2.3	3.7	4.6	4.2	3.3
<b>Totals</b>	<b>\$ 329.2</b>	<b>218.5</b>	<b>(391.2)</b>	<b>318.5</b>	<b>350.7</b>	<b>167.9</b>
<b>Deductions by Type</b> <i>(in millions)</i>						
Benefit payments	\$ 82.5	91.9	98.9	106.3	115.8	120.6
Administrative expense	1.0	1.1	1.2	1.1	1.1	1.0
Refunds	0.6	0.7	0.9	0.4	0.5	0.5
<b>Totals</b>	<b>\$ 84.1</b>	<b>93.7</b>	<b>101.0</b>	<b>107.8</b>	<b>117.4</b>	<b>122.1</b>
<b>Funding Progress</b> <i>(dollars in millions)</i>						
Actuarial value of assets	\$1,809.2	2,038.6	2,015.0	2,137.0	2,194.0	2,222.2
Accrued actuarial liability	\$1,969.0	2,247.8	2,474.0	2,650.7	2,840.4	3,044.7
<b>Funding ratios</b>	<b>92%</b>	<b>91%</b>	<b>81%</b>	<b>81%</b>	<b>77%</b>	<b>73%</b>

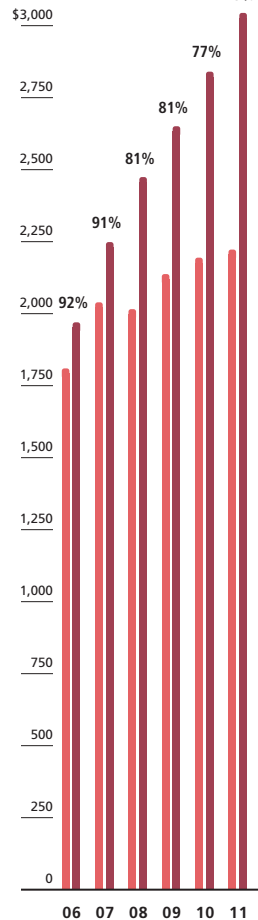
**Additions by Source**  
*(in millions)*



**Deductions by Type**  
*(in millions)*



**Funding Progress with Funding Ratios**  
*(dollars in millions)*



### 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 12-31-2011)*

#### Noncontributory —

Employer rates range from 27.07% to 36.71% of covered salary.

#### Contributory —

Member rates range from 10.50% to 12.29% of covered salary.

Employer rates range from 15.78% to 23.22% of covered salary.

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

Utah Retirement Systems

# Firefighters

## Retirement System Highlights

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

### Composite Picture

Total Membership.....	3,269
Active .....	1,932
Terminated vested .....	164
Retired.....	1,173

2011 Active Members.....	1,932
Average age .....	39.9
Average years of service.....	10.4
Average annual salary .....	\$55,240

### 2011 Retirees

Number .....	32
Average age .....	56.1
Average years of service.....	25.8
Final average annual salary .....	\$70,481
Average annual benefit .....	\$41,613

Average annual benefit	
— all retirees .....	\$31,874



Pictured: JAMES JOHANSEN, Firefighter, Utah Air National Guard, Salt Lake City

## Firefighters Retirement System Highlights *(Continued)*

	2006	2007	2008	2009	2010	2011
<b>Additions by Source</b> <i>(in millions)</i>						
Investment income (loss)	\$ 98.6	50.7	(188.1)	79.8	89.1	19.2
Member contributions	7.8	9.2	10.4	11.3	14.1	17.3
Employer contributions	—	—	—	—	0.2	0.3
Fire Insurance tax	9.5	13.8	10.2	16.2	10.7	12.7
Transfers from systems	1.8	1.7	1.5	1.2	1.8	1.7
<b>Totals</b>	<b>\$117.7</b>	<b>75.4</b>	<b>(166.0)</b>	<b>108.5</b>	<b>115.9</b>	<b>51.2</b>
<b>Deductions by Type</b> <i>(in millions)</i>						
Benefit payments	\$ 29.5	33.9	35.4	38.3	41.1	41.4
Administrative expense	0.3	0.4	0.4	0.4	0.4	0.3
Refunds	0.1	0.2	0.3	0.2	0.4	0.3
<b>Totals</b>	<b>\$ 29.9</b>	<b>34.5</b>	<b>36.1</b>	<b>38.9</b>	<b>41.9</b>	<b>42.0</b>
<b>Funding Progress</b> <i>(dollars in millions)</i>						
Actuarial value of assets	\$705.1	787.7	765.9	802.6	810.2	810.8
Accrued actuarial liability	\$643.8	732.8	776.6	833.8	883.6	926.6
<b>Funding ratios</b>	<b>110%</b>	<b>107%</b>	<b>99%</b>	<b>96%</b>	<b>92%</b>	<b>88%</b>

### 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 4% annually on original retirement benefit.

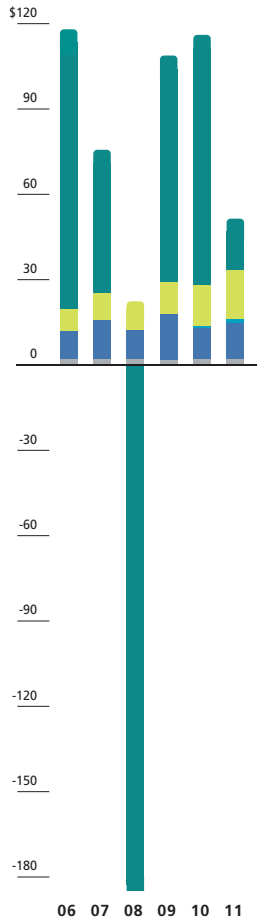
### Contribution Rates *(as of 12-31-2011)*

Member rate for Division A (with Social Security) is 15.05% of covered salary and 16.18% for Division B (without Social Security).

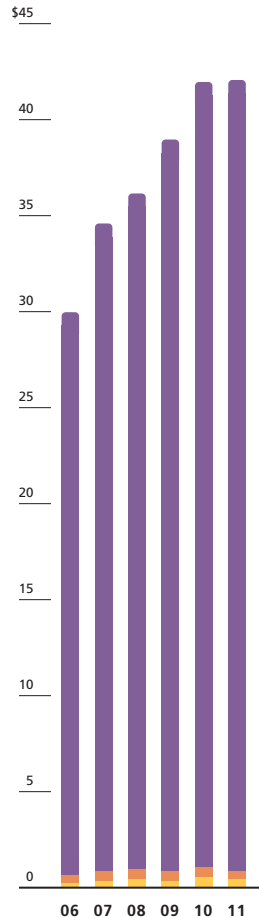
Employer rate for Division A is 0.50% of covered salary and 0.00% for Division B.

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

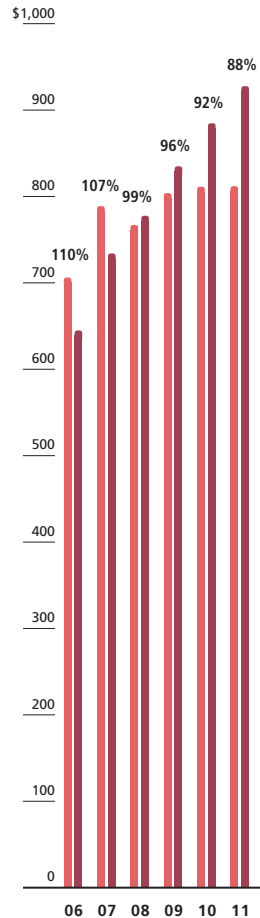
**Additions by Source**  
*(in millions)*



**Deductions by Type**  
*(in millions)*



**Funding Progress with Funding Ratios**  
*(dollars in millions)*



Utah Retirement Systems

# Judges

## Retirement System Highlights

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

### Composite Picture

Total Membership .....	232
Active .....	111
Terminated vested .....	6
Retired .....	115

2011 Active Members .....	111
Average age .....	56.8
Average years of service .....	10.2
Average annual salary .....	\$132,615

### 2011 Retirees

Number .....	4
Average age .....	62.9
Average years of service .....	18.3
Final average annual salary ...	\$127,992
Average annual benefit .....	\$83,727

Average annual benefit	
— all retirees .....	\$72,696



Pictured: SUCHADA BAZZELLE, Juvenile Court Judge, Fourth District Court, American Fork

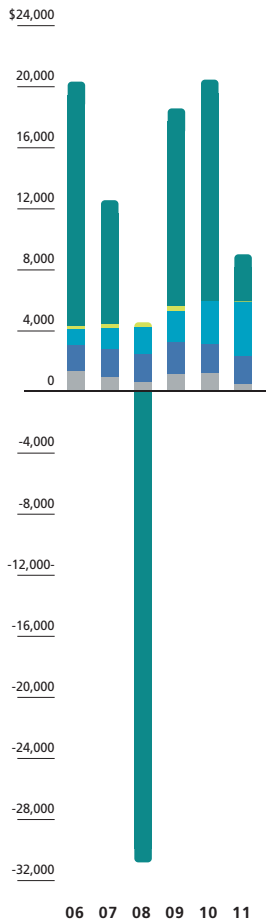
## Judges Retirement System Highlights *(Continued)*

	2006	2007	2008	2009	2010	2011
<b>Additions by Source</b> <i>(in thousands)</i>						
Investment income (loss)	\$16,287	8,401	(31,053)	13,214	14,597	3,114
Member contributions	10	13	138	67	—	—
Employer contributions	995	1,360	1,730	2,083	2,771	3,588
Court fees	1,723	1,850	2,072	2,101	1,944	1,815
Transfers from systems	1,242	841	294	1,027	1,078	390
<b>Totals</b>	<b>\$20,257</b>	<b>12,465</b>	<b>(26,819)</b>	<b>18,492</b>	<b>20,390</b>	<b>8,907</b>

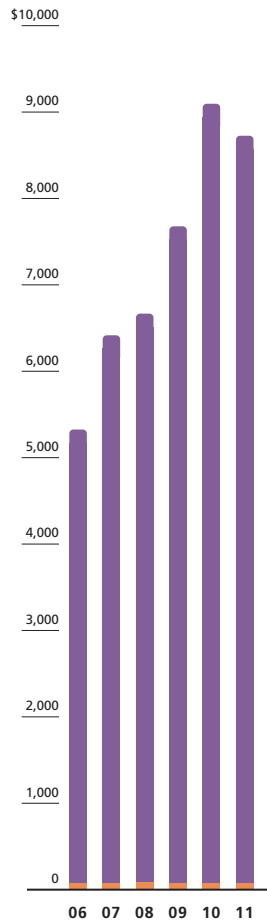
	2006	2007	2008	2009	2010	2011
<b>Deductions by Type</b> <i>(in thousands)</i>						
Benefit payments	\$ 5,251	6,335	6,580	7,595	9,010	8,649
Administrative expense	60	65	70	66	69	60
<b>Totals</b>	<b>\$ 5,311</b>	<b>6,400</b>	<b>6,650</b>	<b>7,661</b>	<b>9,079</b>	<b>8,709</b>

	2006	2007	2008	2009	2010	2011
<b>Funding Progress</b> <i>(dollars in millions)</i>						
Actuarial value of assets	\$ 116.9	129.8	126.1	131.5	131.9	130.6
Accrued actuarial liability	\$ 117.1	135.4	146.0	158.3	166.3	175.8
<b>Funding ratios</b>	<b>100%</b>	<b>96%</b>	<b>86%</b>	<b>83%</b>	<b>79%</b>	<b>74%</b>

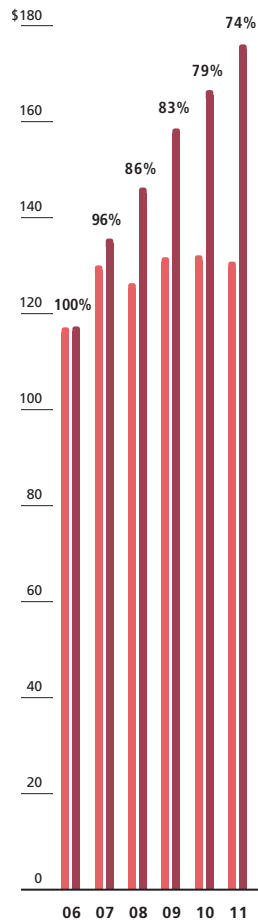
**Additions by Source**  
*(in thousands)*



**Deductions by Type**  
*(in thousands)*



**Funding Progress with Funding Ratios**  
*(dollars in millions)*



### 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 12-31-2011)*

Employer rate is 25.82% of covered salary.

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

Utah Retirement Systems

# Utah Governors and Legislators Retirement Plan Highlights

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

## Composite Picture

Total Membership.....414  
Active .....115  
Terminated vested .....79  
Retired.....220

2011 Active Members.....115  
Average age .....53.1  
Average years of service.....6.4  
Average annual salary .....NA

## 2011 Retirees

Number .....7  
Average age .....65.5  
Average years of service.....13.5  
Final average annual salary .....NA  
Average annual benefit .....\$4,147

## Average annual benefit

— all retirees .....\$3,151



Pictured: KAREN W. MORGAN, Utah State Senator, District 8, Cottonwood Heights / Sandy



## Utah Governors and Legislators Retirement Plan Highlights *(Continued)*

	2006	2007	2008	2009	2010	2011
<b>Additions by Source</b> <i>(in thousands)</i>						
Investment income (loss)	\$1,589	780	(2,763)	1,098	1,142	231
Employer contributions	18	18	17	9	2	153
Transfers from systems	—	—	—	—	—	17
<b>Totals</b>	<b>\$1,607</b>	<b>798</b>	<b>(2,746)</b>	<b>1,107</b>	<b>1,144</b>	<b>401</b>
<b>Deductions by Type</b> <i>(in thousands)</i>						
Benefit payments	\$ 758	758	763	784	790	801
Administrative expense	5	5	5	5	5	4
Refunds	—	2	7	—	5	—
<b>Totals</b>	<b>\$ 763</b>	<b>765</b>	<b>775</b>	<b>789</b>	<b>800</b>	<b>805</b>
<b>Funding Progress</b> <i>(dollars in millions)</i>						
Actuarial value of assets	\$ 11.0	11.7	10.8	10.8	10.2	9.6
Accrued actuarial liability	\$ 9.2	9.9	11.0	11.3	11.4	11.7
<b>Funding ratios</b>	<b>119%</b>	<b>119%</b>	<b>98%</b>	<b>96%</b>	<b>89%</b>	<b>82%</b>

### 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 12-31-11 is \$1,260 per term.

#### Legislators —

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

\*\*Increased semi-annually up to 2% based on the CPI. The amount as 12-31-11 is \$27.60 per term.

### Cost of Living Allowance

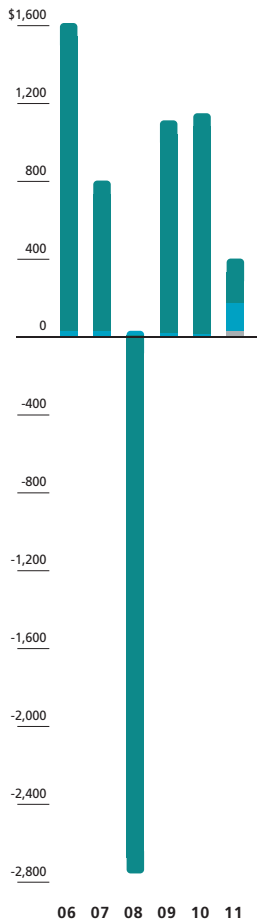
Up to 4% annually on original retirement benefit.

### Contribution Rate *(as of 12-31-2011)*

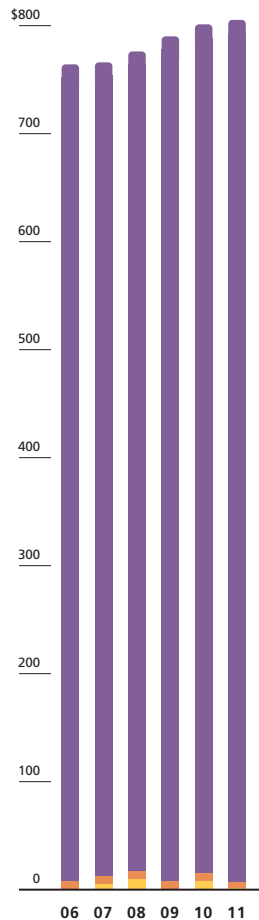
There was a 2010-11 appropriation payable by June 30, 2011, to the Utah Governors and Legislative Retirement Plan of \$153,398.

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

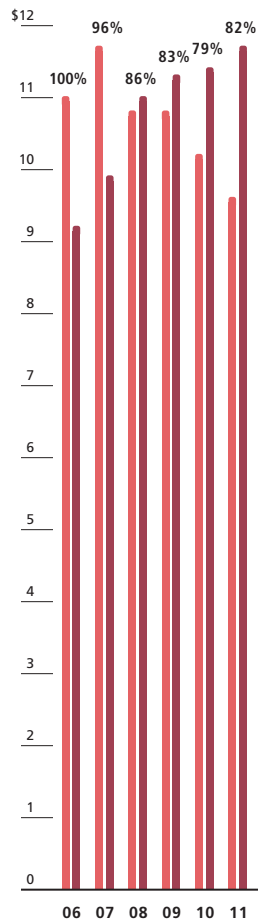
**Additions by Source**  
*(in thousands)*



**Deductions by Type**  
*(in thousands)*



**Funding Progress with Funding Ratios**  
*(dollars in millions)*



Utah Retirement Systems

# 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.

Composite Picture

Total Membership.....	4,777
Active .....	4,777
Terminated vested .....	—
Retired .....	—
<b>2011 Active Members.....</b>	<b>4,777</b>
Average age .....	33.3
Average years of service.....	0.2
Average annual salary .....	\$24,142
<b>2011 Retirees</b>	
Number .....	—
Average age.....	—
Average years of service .....	—
Final average annual salary .....	\$—
Average annual benefit .....	\$—
<b>Average annual benefit</b>	
— all retirees.....	\$—

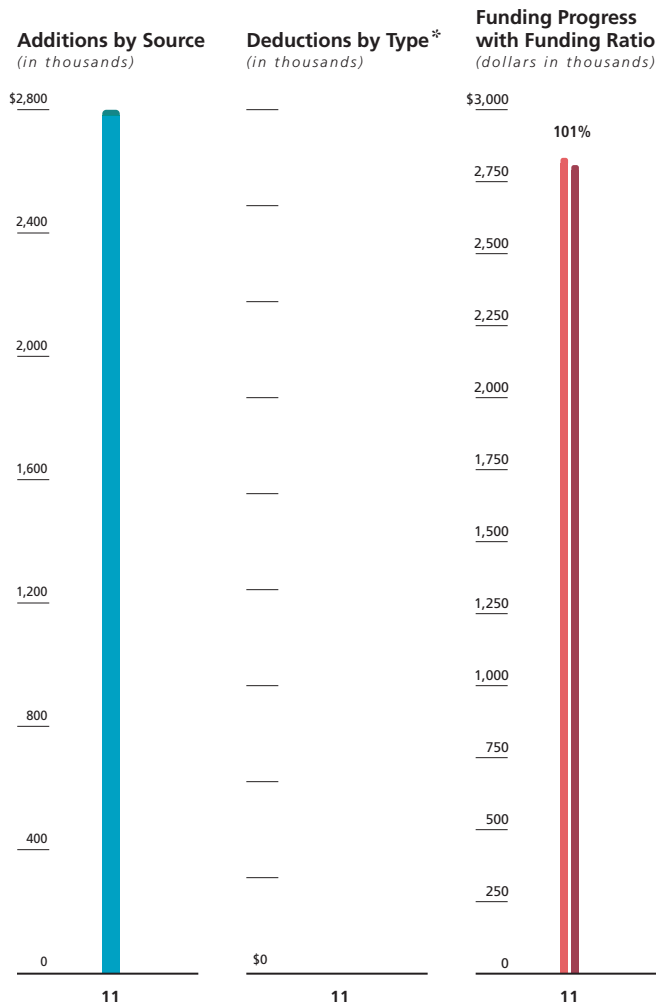


Pictured: KAYLA BURKE, Teacher, Crescent Elementary School, Canyons School District, Sandy

## Tier 2 Public Employees Contributory Retirement System Highlights *(Continued)*

		2011
<b>Additions by Source</b> <i>(in thousands)</i>		
Investment income	\$	9
Employer contributions		2,790
Totals		\$ 2,799
<b>Deductions by Type*</b> <i>(in thousands)</i>		
Benefit payments	\$	—
Administrative expense		—
Refunds		—
Totals		\$ —
<b>Funding Progress</b> <i>(dollars in thousands)</i>		
Actuarial value of assets	\$	2,832.6
Accrued actuarial liability		2,806.2
Funding ratio		101%

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



### 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 1.50% 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 12-31-2011)*

Employer rates range from 12.74% to 15.15% of covered salary.

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

For more detail see Summary of Plan Provisions on page 148.

Utah Retirement Systems

# 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.

**Composite Picture**

Total Membership .....	99
Active .....	99
Terminated vested .....	—
Retired .....	—
<b>2011 Active Members.....</b>	<b>99</b>
Average age .....	29.7
Average years of service.....	0.2
Average annual salary .....	\$29,888
<b>2011 Retirees</b>	
Number .....	—
Average age .....	—
Average years of service.....	—
Final average annual salary .....	\$ —
Average annual benefit .....	\$ —
<b>Average annual benefit</b>	
— all retirees.....	\$ —

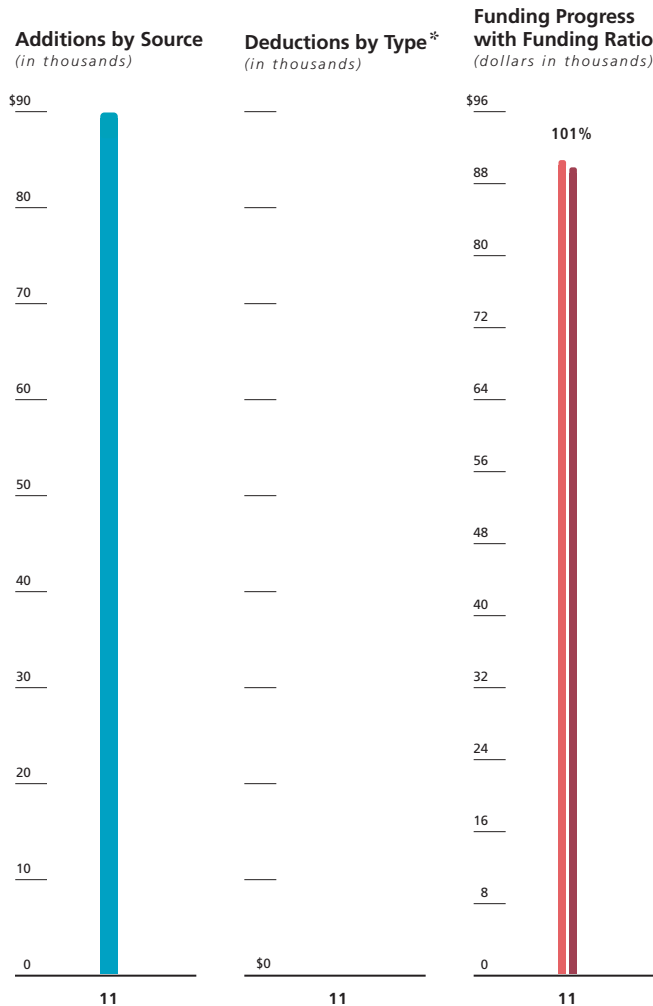


Pictured: GARY COFFEY, Deputy, Utah County Sheriff's Office, Spanish Fork

## Tier 2 Public Safety and Firefighters Contributory Retirement System Highlights *(Continued)*

	2011
<b>Additions by Source</b> <i>(in thousands)</i>	
Investment income	\$ —
Employer contributions	89
<b>Totals</b>	<b>\$ 89</b>
<b>Deductions by Type*</b> <i>(in thousands)</i>	
Benefit payments	\$ —
Administrative expense	—
Refunds	—
<b>Totals</b>	<b>\$ —</b>
<b>Funding Progress</b> <i>(dollars in thousands)</i>	
Actuarial value of assets	\$90.3
Accrued actuarial liability	\$89.8
<b>Funding ratio</b>	<b>101%</b>

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



### 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 12-31-2011)

Employer rates range from 12.19% to 27.37% of covered salary.

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

For more detail see Summary of Plan Provisions on page 150.

# Utah Retirement Systems 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 supplemental 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.

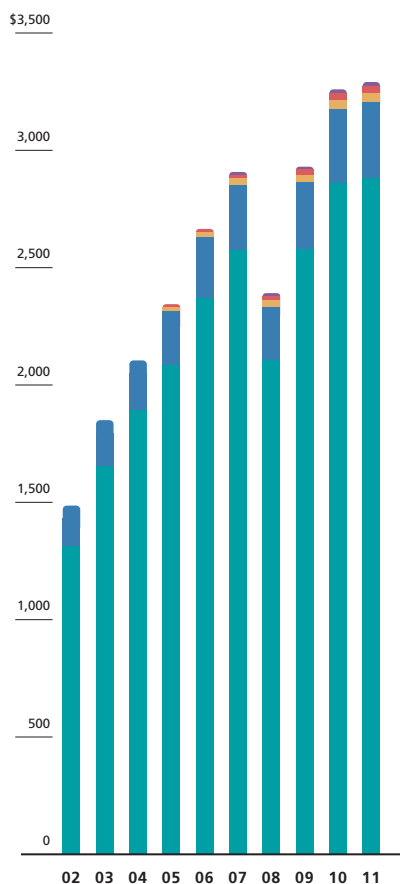
Each year the number of employees participating in these plans increases. Individuals may participate in more than one plan. As of December 31, 2011, the number of participants by investment plan is shown at below.

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

The Plans provide the following benefits:

- Convenient, automatic payroll deduction
- Eleven 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)
- Immediate vesting
- No sales commissions
- Low investment and administrative fees
- Plan Loans (401(k) and 457)
- Hardship and emergency withdrawals

**Defined Contribution Member Balances**  
(in millions)



## Membership Information

at December 31, 2011

	401(k)	457	Roth IRA	Traditional IRA	HRA
Number of active employees eligible to participate	102,784	96,386	104,691	104,691	1,748
Employee contributions (excluding employer contributions):					
Number of employees contributing	41,346	8,531	2,428	185	NA
Percent of eligible employees contributing	40.2%	8.9%	2.3%	0.2%	NA
Average percent of salary deferred by employees	5.8%	6.3%	3.9%	2.6%	NA
Total participants	146,187	16,661	3,281	740	1,748
Average participant account balance	\$19,708	19,288	7,437	40,558	5,213

## Defined Contributions Member Balances

at December 31, 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
HRA	\$ —	—	—	—	—	1	2	3	6	9
Roth IRA	—	—	—	1	4	6	7	12	21	24
Traditional IRA	—	—	—	7	12	18	19	22	26	30
457	172	196	213	230	259	277	229	284	317	321
401(k)	1,313	1,653	1,891	2,104	2,389	2,604	2,132	2,608	2,887	2,881
Totals	\$1,485	1,849	2,104	2,342	2,664	2,906	2,389	2,929	3,257	3,265

Utah Retirement Systems

# Financial

Section



## *2011 Comprehensive Annual Financial Report*

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# Independent Auditors' Report



Deloitte & Touche LLP  
299 South Main Street  
Suite 1900  
Salt Lake City, UT 84111  
United States of America

## INDEPENDENT AUDITORS' REPORT

Utah State Retirement Board:

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www.deloitte.com

We have audited the accompanying basic financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board, as of and for the year ended December 31, 2011, listed in the foregoing table of contents. These financial statements are the responsibility of the management of Utah Retirement Systems. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Utah Retirement Systems' 2010 financial statements, and in our report dated April 12, 2011, we expressed an unqualified opinion on those financial statements.

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 includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements 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, as of December 31, 2011, and the changes in fiduciary net assets of the pension (and other employee benefit) trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 \$8.5 billion (32% of total assets) at December 31,

2011. 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.

Management's Discussion and Analysis and the Schedules of Funding Progress and of Employer Contributions, listed in the foregoing table of contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the management of Utah Retirement Systems. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. 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 the management of Utah Retirement Systems. Such additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is 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 express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2012 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 and 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* and should be considered in assessing the results of our audit.

*Deloitte & Touche LLP*

April 18, 2012





**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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Suite 1900  
Salt Lake City, UT 84111  
United States of America

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Utah State Retirement Board:

We have audited the basic financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board, as of and for the year ended December 31, 2011, and have issued our report thereon dated April 18, 2012, which included an explanatory paragraph regarding the fair value of investments where a publicly listed price is not available. 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.

**Internal Control Over Financial Reporting**

Management of Utah Retirement Systems is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Utah Retirement Systems' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Utah Retirement Systems' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Utah Retirement Systems' internal control over financial reporting.

A deficiency 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 the Utah Retirement System's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Utah Retirement Systems' basic 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*.

This report is intended solely for the information and use of the Board, management, and others within the Utah Retirement Systems, and applicable State officials and is not intended to be and should not be used by anyone other than these specified parties.

April 18, 2012

# Utah Retirement Systems Management's Discussion and Analysis

## Introduction

This section presents management's discussion and analysis of the Utah Retirement Systems' (URS) financial position and performance for the year ended December 31, 2011. 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 which 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



## Management's Discussion and Analysis *(Continued)*

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 Legislative 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 IRA Plans, 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 \$197 million, or 1 percent during calendar year 2011. 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 2011 was 2.89 percent compared with

the calendar year 2010 rate of return of 13.73 percent. The decrease in rate of return was due primarily to the decrease in market performance in 2011.

- The URS Defined Benefit Pension Systems were actuarially funded at an average of 82.8 percent as of January 1, 2011, a decrease from the comparative average of 85.8 percent as of January 1, 2010. During 2011 the funded ratio decreased from 82.8 percent at the beginning of the year to 78.3 percent at December 31, 2011, due to lower than expected investment results over the previous five years.
- The Defined Contribution Plans' net assets increased \$9 million during calendar year 2011 primarily due to investment gains.



## Management's Discussion and Analysis *(Continued)*

- The Defined Contribution Plans' rates of return for investment options ranged from a high of 5.09 percent to a low of negative 14.09 percent compared to prior year investment option returns of a high of 30.4 percent and a low of 0.0 percent.

### 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, 2011. 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, 2011, 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 thirteen pension (and other employee benefit) trust funds which 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, 2011, with combined total comparative information at December 31, 2010. 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, 2011, with combined total comparative information for the year ended December 31, 2010. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries, for calendar years 2011 and 2010.

#### 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 below.

- 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.

- 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.

## Management's Discussion and Analysis *(Continued)*

### 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.

### Systems' Total Investments

At December 31, 2011, URS Defined Benefit Systems had total net assets of \$20.0 billion, an increase of \$197 million from calendar year 2010 investment totals. The combined investment portfolio experienced a return of 2.89 percent compared with the URS investment benchmark return of 3.17 percent. Investment results over time compared with URS benchmarks are presented on page 112 in the Investment Section.

Since the investment gain in all of the retirement systems was about 2.89 percent of net assets, further investment performance will not be evaluated in each respective system.

### Equities

At December 31, 2011, URS Defined Benefit Systems held \$7.3 billion in U.S. and international equity securities, a decrease of \$198 million from year 2010. U.S. equity and international equity securities had returns of a negative 0.68 percent and a negative 12.01 percent respectively for calendar year 2011, compared to URS benchmark returns of 1.03 percent and a negative 14.31 percent respectively.

### Debt Securities

At December 31, 2011, URS Defined Benefit Systems held \$4.0 billion in U.S. debt and international debt securities, a decrease of \$384 million from year 2010. U.S. debt securities returned 8.17 percent while international debt securities returned 7.62 percent in calendar year 2011 compared with URS benchmark returns of 7.84 percent and 5.64 percent respectively.

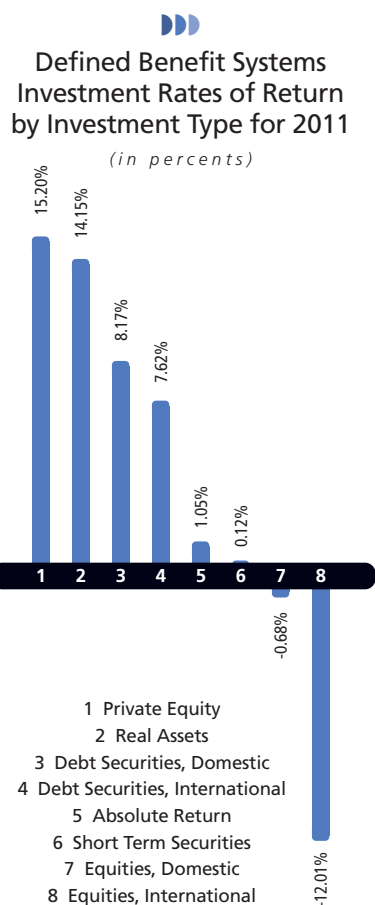
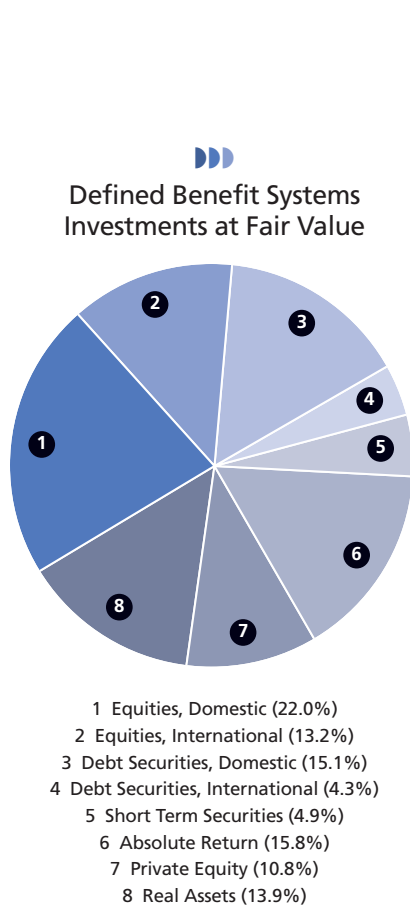
### Real Assets

At December 31, 2011, URS Defined Benefit Systems held \$2.9 billion in real assets investments, a decrease of \$138 million from year 2010. Real assets investments returned 14.15 percent in calendar year 2011 compared with URS benchmark return of 14.26 percent.

### Private Equity

At December 31, 2011, URS Defined Benefit Systems held \$2.2 billion in private equity investments, an increase of \$415 million from year 2010. Private equity investments returned 15.20 percent in calendar year 2011. The URS benchmark for private equity investments was 4.36 percent.

## Management’s Discussion and Analysis *(Continued)*



### Short Term

At December 31, 2011, URS Defined Benefit Systems held \$1.0 billion in short term investments, a decrease of \$39 million from year 2010. Short term investments returned 0.12 percent in calendar year 2011, which compared to the URS benchmark return of 0.10 percent.

### Absolute Return

At December 31, 2011, URS Defined Benefit Systems held \$3.3 billion in absolute return investments, an increase of 149 million from year 2010. Absolute return investments returned 1.05 percent in calendar year 2011 compared with URS benchmark return of 5.10 percent.

### Security 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. At December 31, 2011, the Systems had \$1.70 billion on loan secured by collateral of \$1.75 billion. For calendar year 2011, net securities lending income to the Systems amounted to \$3.5 million, a decrease of \$461 million over calendar year 2010. The decrease in security lending revenue for year 2011 represents mainly a decrease 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 at December 31, 2011, totaled \$15.9 billion, an increase of \$133 million (0.8 percent) from \$15.8 billion at December 31, 2010.

Additions to the Noncontributory System net assets held in trust for benefits include employer contributions, investment income and transfers. For the calendar year 2011, member and employer contributions increased from \$597.7 million for calendar year 2010 to \$623.1 million, an increase of \$25.4 million (4.3 percent). Contributions increased because salaries and contribution rates increased. The system recognized a net investment gain of \$401.1 million for calendar year 2011 compared with net investment gain of \$1.9 billion for calendar year 2010. The decrease in investment gain for 2011 compared to 2010 was due to the lower rate of return realized in 2011.

Deductions from the Noncontributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the calendar year 2011, benefits amounted to \$846.2 million, an increase of \$48.8 million (6.1 percent) over calendar year 2010. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the calendar year 2011, the costs of administering the system totaled \$7.3 million,

a decrease of \$1.1 million (12.9 percent) from calendar year 2010.

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, 2011, the funded status of the system decreased to 82.7 percent from 85.7 percent at January 1, 2010. The amount by which the Noncontributory System actuarial assets were under actuarial benefit liabilities was \$3.5 billion at January 1, 2011, compared with being underfunded by \$2.8 billion at January 1, 2010. 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 at December 31, 2011, totaled \$1.0 billion, an increase of \$5.8 million (0.6 percent) from \$1.0 billion at December 31, 2010.

Additions to the Contributory System net assets held in trust for benefits include employer and member contributions, investment income and transfers. For calendar year 2011, member and employer contributions decreased from \$22.2 million for calendar year 2010 to \$18.4 million, a decrease of \$3.7 million (16.8 percent). Contributions decreased because salaries decreased. 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 \$26.0 million for calendar year 2011 compared with net investment gain of \$121.2 million

for the calendar year 2010. The decrease in investment gain for 2011 compared to 2010 was due to the lower rate of return realized in 2011.

Deductions from the Contributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For calendar year 2011, benefits amounted to \$70.2 million, an increase of \$1.0 million (1.5 percent) from calendar year 2010. The increase in benefit payments was due to the increase in the number of retired members in the system. For calendar year 2011, the costs of administering the system totaled \$449 thousand, a decrease of \$86 thousand (16.1 percent) from calendar year 2010.

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, 2011, the funded status of the system decreased to 86.2 percent from 90.5 percent at January 1, 2010. The amount by which the Contributory System actuarial assets were under actuarial benefit liabilities was \$118.8 million at January 1, 2011, compared with \$119.3 million at January 1, 2010.

#### 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 at December 31, 2011, amounted to \$2.1 billion, an increase of \$45.7 million (2.2 percent) from \$2.1 billion at December 31, 2010.

## Management's Discussion and Analysis *(Continued)*

Additions to the Public Safety System net assets held in trust for benefits include employer contributions, investment income and transfers. For calendar year 2011, member and employer contributions increased from \$105.3 million for calendar year 2010 to \$111.9 million, an increase of \$6.6 million (6.3 percent). Contributions increased because salaries and contribution rates increased. The system recognized a net investment gain of \$52.7 million for calendar year 2011 compared with net investment gain of \$241.2 million for calendar year 2010. The decrease in investment gain for 2011 compared to 2010 was due to the lower rate of return realized in 2011.

Deductions from the Public Safety System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2011, benefits amounted to \$121.1 million, an increase of \$4.8 million (4.1 percent) over calendar year 2010. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For calendar year 2011, the costs of administering the system totaled \$1.0 million, a decrease of \$127 thousand (11.1 percent) from calendar year 2010.

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, 2011, the funded status of the system decreased to 77.1 percent from 80.6 percent at January 1, 2010. The amount by which the Public Safety System actuarial assets were under actuarial benefit liabilities was \$650.0 million at January 1, 2011, compared with being underfunded by \$513.6 million at January 1, 2010. 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 at December 31, 2011, amounted to \$765.5 million, an increase of \$9.3 million (1.2 percent) from \$756.3 million at December 31, 2010.

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 2011, member and employer contributions increased from \$25.0 million for calendar year 2010 to \$30.3 million, an increase of \$5.3 million (21.2 percent). Contributions increased because salaries, contributions and insurance premium taxes increased. The system recognized a net investment gain of \$19.2 million for calendar year 2011 compared with net investment gain of \$89.1 million for calendar year 2010. The decrease in investment gain for 2011 compared to 2010 was due to the lower rate of return realized in 2011.

Deductions from the Firefighters System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2011, benefits amounted to \$41.7 million, an increase of \$143 thousand (0.3 percent) over calendar year 2010. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For calendar year 2011, the costs of administering the system totaled \$312 thousand, a decrease of \$49 thousand (13.6 percent) from calendar year 2010.





## Management's Discussion and Analysis *(Continued)*

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, 2011, the funded status of the system decreased to 92.9 percent from 96.3 percent at January 1, 2010. The amount by which the Firefighters System actuarial assets were under actuarial benefit liabilities was \$61.9 million at January 1, 2011, compared to being underfunded by \$31.3 million at January 1, 2010. 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 at December 31, 2011, amounted to \$123.2 million, an increase of \$198 thousand (0.2 percent) from \$123.0 million at December 31, 2010.

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 2011, employer contributions increased from \$4.7 million for calendar year 2010 to \$5.4 million, an increase of \$688 thousand (14.6 percent). Contributions increased because the contribution rate and court fees increased. The system recognized a net investment gain of \$3.1 million for the calendar year 2011 compared with net investment gain of \$14.6 million for calendar year 2010. The decrease in investment gain for 2011 compared to 2010 was due to the lower rate of return realized in 2011.

Deductions from the Judges System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2011, benefits amounted to \$8.6 million, a decrease of \$361 thousand (4.0 percent) over calendar year 2010. The decrease in benefit payments was due to a decrease in the benefit of current year retirees. For calendar year 2011, the costs of administering the system totaled \$60 thousand, a slight decrease 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, 2011, the funded status of the system decreased to 88.6 percent from 95.3 percent at January 1, 2010. The amount by which the Judges System actuarial assets were under actuarial benefit liabilities was \$35.7 million at January 1, 2011, compared with \$26.8 million at January 1, 2010. 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 at December 31, 2011, amounted to \$8.9 million, a decrease of \$404 thousand (4.3 percent) from \$9.3 million at December 31, 2010.

Additions to the Governors and Legislators Retirement Plan net assets held in trust for benefits include investment income and transfers. For calendar year 2011 employer contributions amounted to \$153 thousand. The system recognized a net investment gain of \$231 thousand for calendar year 2011 compared with net investment gain of \$1.1 million for calendar year 2010. The decrease in investment gain for 2011 compared to 2010 was due to the lower rate of return realized in 2011.

Deductions from the Governors and Legislators Retirement Plan net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2011, retirement benefits amounted to \$801 thousand, an increase of \$6 thousand (0.8 percent) from calendar year 2010. The increase in benefit payments was due to an increase in the number of benefit recipients. For calendar year 2011, the costs of administering the system totaled \$4 thousand, a slight decrease 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, 2011, the funded status of the system decreased to 89.8 percent from 95.3 percent at January 1, 2010. The amount by which the Governors and Legislators Retirement Plan actuarial assets were under actuarial benefit liabilities was \$1.3 million at January 1, 2011, compared with being underfunded by \$536 thousand at January 1, 2010. 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.

## Management's Discussion and Analysis *(Continued)*

### FD Fiduciary Net Assets Pension Trust Funds — Defined Benefit Plans

December 31

*(dollars in thousands)*

	Noncontributory System			Contributory System			Public Safety System		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
<b>Assets:</b>									
Cash and receivables	\$ 384,442	559,028	263,733	23,106	34,325	16,231	50,221	71,716	33,656
Investments at fair value	16,609,788	16,787,457	15,229,900	1,057,334	1,071,466	1,010,051	2,193,327	2,187,483	1,963,527
Invested securities									
lending collateral	1,383,847	1,005,149	1,149,384	88,092	64,154	76,227	182,738	130,975	148,184
Property and equipment	908	688	256	58	44	17	119	90	34
Total assets	18,378,985	18,352,322	16,643,273	1,168,590	1,169,989	1,102,526	2,426,405	2,390,264	2,145,401
<b>Liabilities:</b>									
Securities lending liability	1,383,847	1,005,149	1,149,384	88,092	64,154	76,227	182,738	130,975	148,184
Investment accounts and other payables	1,059,666	1,544,968	1,341,327	67,448	98,587	88,712	139,916	201,270	172,459
Total liabilities	2,443,513	2,550,117	2,490,711	155,540	162,741	164,939	322,654	332,245	320,643
Total net assets	\$15,935,472	15,802,205	14,152,562	1,013,050	1,007,248	937,587	2,103,751	2,058,019	1,824,758

*(dollars in thousands)*

	Tier 2 Public Employees System			Tier 2 Public Safety and Firefighters System			Total Defined Benefit Pension Plans			2011 Percent Change	2010 Percent Change
	2011	2010	2009	2011	2010	2009	2011	2010	2009		
<b>Assets:</b>											
Cash and receivables	\$ 594	—	—	16	—	—	482,108	695,469	337,516	(30.7)%	106.1%
Investments at fair value	2,355	—	—	78	—	—	20,796,342	20,991,565	19,057,515	(0.9)	10.1
Invested securities											
lending collateral	196	—	—	7	—	—	1,732,651	1,256,870	1,438,249	37.9	(12.6)
Property and equipment	—	—	—	—	—	—	1,136	860	322	32.1	167.1
Total assets	3,145	—	—	101	—	—	23,012,237	22,944,764	20,833,602	0.3	10.1
<b>Liabilities:</b>											
Securities lending liability	196	—	—	7	—	—	1,732,651	1,256,870	1,438,249	37.9	(12.6)
Investment accounts and other payables	150	—	—	5	—	—	1,326,733	1,931,788	1,677,508	(31.3)	15.2
Total liabilities	346	—	—	12	—	—	3,059,384	3,188,658	3,115,757	(4.1)	2.3
Total net assets	\$ 2,799	—	—	89	—	—	19,952,853	19,756,106	17,717,845	1.0%	11.5%

## Management's Discussion and Analysis *(Continued)*

Firefighters System			Judges System			Utah Governors and Legislators Retirement Plan		
2011	2010	2009	2011	2010	2009	2011	2010	2009
20,461	25,744	21,646	3,071	4,345	2,102	197	311	148
795,785	804,505	724,163	128,346	130,714	120,178	9,329	9,940	9,696
66,301	48,170	54,652	10,693	7,827	9,070	777	595	732
43	33	13	7	5	2	1	—	—
882,590	878,452	800,474	142,117	142,891	131,352	10,304	10,846	10,576
66,301	48,170	54,652	10,693	7,827	9,070	777	595	732
50,765	74,022	63,603	8,189	12,027	10,556	594	914	851
117,066	122,192	118,255	18,882	19,854	19,626	1,371	1,509	1,583
765,524	756,260	682,219	123,235	123,037	111,726	8,933	9,337	8,993



### Tier 2 Public Employees System

The Tier 2 Public Employees System provides retirement benefits to eligible covered State of Utah, local governments and public educational employees who started employment July 1, 2011, or after. Benefits of the system are funded by contributions and by earnings on investments. The system net assets held in trust for benefits totaled \$2.8 million at December 31, 2011.

Additions to the Tier 2 Public Employees System net assets held in trust for benefits include employer contributions, investment income and transfers. For 2011 employer contributions amounted to \$2.8 million. The system recognized a net investment gain of \$9 thousand.

Deductions from the Tier 2 Public Employees System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For calendar year 2011 there were no deductions.

An actuarial valuation is performed annually. The date of the most recent actuarial valuation was January 1, 2011. Because the system did not begin until July 1, 2011, no study was performed.

### Tier 2 Public Safety and Firefighters System

The Tier 2 Public Safety and Firefighters System provides retirement benefits to eligible covered state and local governmental employees directly involved in law enforcement or fire fighting who started employment July 1, 2011, or after. Benefits of the system are funded by contributions and by earnings on investments. The system net assets held in trust for benefits totaled \$89 thousand at December 31, 2011.

Additions to the Tier 2 Public Safety and Firefighters System net assets held in trust for benefits include employer contributions, investment income and transfers. For 2011 employer contributions amounted to \$89 thousand.

Deductions from the Tier 2 Public Employees System net assets held in trust for benefits include retirement benefits, administrative expenses and transfer. For calendar year 2011 there were no deductions.

An actuarial valuation is performed annually. The date of the most recent actuarial valuation was January 1, 2011. Because the system did not begin until July 1, 2011, no study was performed.

## 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		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
<b>Additions:</b>									
Contributions	\$ 623,149	597,682	549,407	18,425	22,150	19,520	111,899	105,299	100,285
Investment income	401,105	1,860,976	1,667,478	26,009	121,153	112,626	52,655	241,203	213,627
Transfers from affiliated systems	—	—	—	32,064	—	37,633	3,303	4,248	4,578
Total additions	1,024,254	2,458,658	2,216,885	76,498	143,303	169,779	167,857	350,750	318,490
<b>Deductions:</b>									
Pension benefits	843,696	793,804	723,052	68,375	67,565	64,849	120,570	115,831	106,272
Refunds	2,514	3,620	2,882	1,872	1,632	2,158	536	512	390
Administrative expenses	7,304	8,389	8,340	449	535	555	1,019	1,146	1,127
Transfers to affiliated systems	37,473	3,202	44,420	—	3,910	—	—	—	—
Total deductions	890,987	809,015	778,694	70,696	73,642	67,562	122,125	117,489	107,789
Increase (decrease) in net assets	\$ 133,267	1,649,643	1,438,191	5,802	69,661	102,217	45,732	233,261	210,701

*(dollars in thousands)*

	Tier 2 Public Employees System			Tier 2 Public Safety and Firefighters System			Total Defined Benefit Pension Plans			2011 Percent Change	2010 Percent Change
	2011	2010	2009	2011	2010	2009	2011	2010	2009		
<b>Additions:</b>											
Contributions	\$ 2,790	—	—	89	—	—	792,241	754,873	700,895	5.0%	7.7%
Investment income	9	—	—	—	—	—	502,341	2,328,193	2,087,854	(78.4)	11.5
Transfers from affiliated systems	—	—	—	—	—	—	37,473	7,112	44,420	426.9	(84.0)
Total additions	2,799	—	—	89	—	—	1,332,055	3,090,178	2,833,169	(56.9)	9.1
<b>Deductions:</b>											
Pension benefits	—	—	—	—	—	—	1,083,497	1,028,130	940,863	5.4	9.3
Refunds	—	—	—	—	—	—	5,190	6,170	5,661	(15.9)	9.0
Administrative expenses	—	—	—	—	—	—	9,148	10,505	10,447	(12.9)	0.6
Transfers to affiliated systems	—	—	—	—	—	—	37,473	7,112	44,420	426.9	(84.0)
Total deductions	—	—	—	—	—	—	1,135,308	1,051,917	1,001,391	7.9	5.0
Increase (decrease) in net assets	\$ 2,799	—	—	89	—	—	196,747	2,038,261	1,831,778	(90.3)%	11.3%

## Management's Discussion and Analysis *(Continued)*

Firefighters System			Judges System			Utah Governors and Legislators Retirement Plan		
2011	2010	2009	2011	2010	2009	2011	2010	2009
30,333	25,027	27,432	5,403	4,715	4,251	153	—	—
19,218	89,122	79,811	3,114	14,597	13,214	231	1,142	1,098
1,699	1,784	1,173	390	1,078	1,027	17	2	9
51,250	115,933	108,416	8,907	20,390	18,492	401	1,144	1,107
41,406	41,130	38,311	8,649	9,010	7,595	801	790	784
268	401	231	—	—	—	—	5	—
312	361	354	60	69	66	4	5	5
—	—	—	—	—	—	—	—	—
41,986	41,892	38,896	8,709	9,079	7,661	805	800	789
9,264	74,041	69,520	198	11,311	10,831	(404)	344	318



### Actuarial Valuations and Funding Progress

Actuarial valuation of each defined benefit system is performed annually. At January 1, 2011, the date of the most recent actuarial valuation, the average funded ratio of the Systems was 82.8 percent. This was a decrease from the Systems' January 1, 2010, valuation average funded ratio of 85.8 percent, a decrease in funded status of 3.0 percent. As of December 31, 2011, the Systems' average funded ratio

had decreased to 78.3 percent. This was a decrease in the Systems' funded ratio of 4.5 percent for calendar year 2011. The funded ratio decrease for all systems was the result of lower than expected investment returns over the previous five years.

At December 31, 2011, the Systems' underfunded actuarial accrued liability was \$5.8 billion. This was a net increase in the unfunded position of \$1.4 billion for the year. At December 31, 2011, the difference between the actuarial value of assets and market value of assets was \$1.2 billion in actuarially deferred losses. This was an increase of \$1.4 billion in actuarially deferred losses from the \$4.4 billion in actuarially deferred losses at January 1, 2011. These actuarially deferred losses 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.

## Management's Discussion and Analysis *(Continued)*

### 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 at December 31, 2011, amounted to \$2.9 billion, a decrease of \$5.7 million (0.2 percent) over net assets at December 31, 2010.

Additions to the 401(k) Plan net assets held in trust for benefits include contributions, rollovers, and investment income. For calendar year 2011, contributions decreased from those of calendar year 2010 from \$222.5 million to \$210.6 million, a decrease of \$11.9 million (5.3 percent). Contributions decreased because of decreased participation. The plan recognized a net investment loss of \$14.8 million for calendar year 2011 compared with a net investment gain of \$254.3 million for calendar year 2010.

Deductions from the 401(k) Plan net assets include participant and beneficiary refunds, and administrative expenses. For calendar year 2011, refunds amounted to \$194.9 million, an increase of \$4.0 million (2.1 percent) over calendar year 2010. The increase in refunds was due to an increase in withdrawals for calendar year 2011. For calendar year 2011, the costs of administering the plan amounted to \$6.5 million, an increase of \$55 thousand over calendar year 2010.

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 at December 31, 2011, amounted to \$321.4 million, an increase of \$4.5 million (1.4 percent) over net assets at December 31, 2010.

Additions to the 457 Plan net assets held in trust for benefits include contributions and investment income. For calendar year 2011, contributions decreased from those of calendar year 2010 from \$26.5 million to \$26.4 million or a decrease of \$81 thousand (0.3 percent). Contributions decreased because of decreased participation. The plan recognized a net investment loss of \$2.4 million for calendar year 2011 compared with a net investment gain of \$27.6 million for the calendar year 2010.

Deductions from the 457 Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2011, refunds amounted to \$18.8 million, a decrease of \$1.4 million (6.8 percent) over calendar year 2010. The decrease in refunds was due to a decrease in withdrawals for calendar year 2011. For calendar year 2011, the costs of administering the plan amounted to \$726 thousand, an increase of \$15 thousand over calendar year 2010.

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



## Management’s Discussion and Analysis *(Continued)*

### 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 at December 31, 2011, amounted to \$24.4 million, an increase of \$3.8 million (18.6 percent) over net assets at December 31, 2010.

Additions to the Roth IRA Plan include contributions, transfers from other Roth IRAs, conversions from traditional IRAs, and investment earnings. For calendar year 2011, contributions decreased from those of calendar year 2010 from \$8.1 million to \$6.6 million (18.4 percent). Contributions decreased because of decreased participation. The plan recognized a net investment loss of \$508 thousand for calendar year 2011 compared with a net investment gain of \$1.8 million for calendar year 2010.

Deductions from the Roth IRA Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2011, refunds amounted to \$2.2 million, an increase of \$649 thousand (41.0 percent) over calendar year 2010. For calendar year 2011, the costs of administering the plan amounted to \$52 thousand, an increase of \$14 thousand over calendar year 2010.



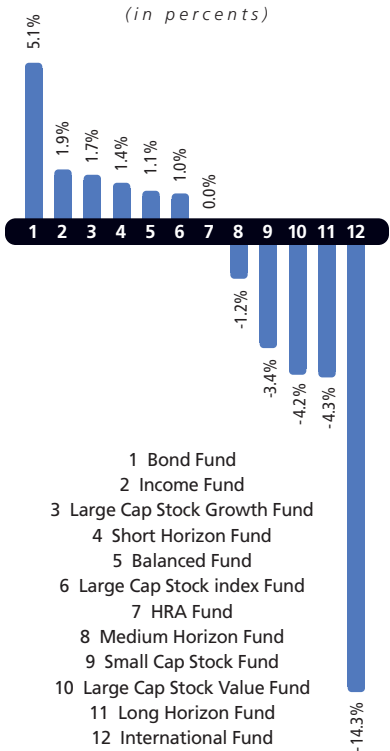
### Traditional IRA Plan

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 rollover (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 at December 31, 2011, amounted to \$30.0 million, an increase of \$3.8 million (14.3 percent) over net assets at December 31, 2010.

Additions to the traditional IRA Plan include contributions, rollovers, and investment earnings. For calendar year 2011, contributions increased from those of calendar year 2010 from \$6.1 million to \$7.3 million (20.5 percent). Contributions increased because of increased rollovers. The plan recognized a net investment loss of \$55 thousand for calendar year 2011 compared with a net investment gain of \$1.7 million for calendar year 2010.

Deductions from the traditional IRA Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2011, refunds amounted to \$3.5 million, a decrease of \$485 thousand (12.3 percent) over calendar year 2010. For calendar year 2011, the costs of administering the plan amounted to \$60 thousand, an increase of \$5 thousand over calendar year 2010.

### Defined Contribution Savings Plans Investment Option Rates of Return for 2011



### Defined Contribution Comparative Annualized Rates of Return

December 31, 2011

Investment Option	2011	2010
Income Fund .....	1.9	2.0%
Bond Fund .....	5.1	7.4
Balanced Fund .....	1.1	11.0
Large Cap Stock Value Fund .....	-4.2	13.3
Large Cap Stock Index Fund .....	1.0	14.8
Large Cap Stock Growth Fund .....	1.7	12.5
International Fund .....	-14.1	9.1
Small Cap Stock Fund .....	-3.4	30.4
Short Horizon Fund .....	1.4	8.9
Medium Horizon Fund .....	-1.2	11.7
Long Horizon Fund .....	-4.3	13.6
HRA Fund .....	0.0	0.0

## Management's Discussion and Analysis *(Continued)*

### ▄▄▄ Fiduciary Net Assets — Defined Contribution Savings Plans

December 31

*(dollars in thousands)*

	401(k) Plan			457 Plan			Roth IRA Plan		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
<b>Assets:</b>									
Cash and receivables	\$ 77,815	71,691	62,732	7,515	6,679	5,266	14	134	44
Investments at fair value	2,808,653	2,820,395	2,548,843	314,065	310,783	278,698	24,395	20,455	12,210
Invested securities lending collateral	—	—	104,636	—	—	11,603	—	—	671
Total assets	2,886,468	2,892,086	2,716,211	321,580	317,462	295,567	24,409	20,589	12,925
<b>Liabilities:</b>									
Securities lending liability	—	—	104,636	—	—	11,603	—	—	671
Investment accounts and other payables	5,461	5,409	4,288	224	588	345	9	18	6
Total liabilities	5,461	5,409	108,924	224	588	11,948	9	18	677
Total net assets	\$2,881,007	2,886,677	2,607,287	321,356	316,874	283,619	24,400	20,571	12,248

### ▄▄▄ Changes in Fiduciary Net Assets — Defined Contribution Savings Plans

Year Ended December 31

*(dollars in thousands)*

	401(k) Plan			457 Plan			Roth IRA Plan		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
<b>Additions:</b>									
Contributions	\$ 210,592	222,474	222,369	26,441	26,522	26,617	6,619	8,116	3,623
Investment income (loss)	(14,864)	254,289	386,989	(2,422)	27,628	41,581	(508)	1,827	2,008
Total additions	195,728	476,763	609,358	24,019	54,150	68,198	6,111	9,943	5,631
<b>Deductions:</b>									
Refunds	194,933	190,963	127,675	18,811	20,184	13,349	2,230	1,582	445
Administrative expenses	6,465	6,410	6,341	726	711	699	52	38	26
Total deductions	201,398	197,373	134,016	19,537	20,895	14,048	2,282	1,620	471
Increase (decrease) in net assets	\$ (5,670)	279,390	475,342	4,482	33,255	54,150	3,829	8,323	5,160

### 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 health care expenses incurred after retirement. No employee contributions are permitted. The plan net assets held in trust for benefits at December 31, 2011, amounted to \$9.1 million, an increase of \$2.8

million (45.2 percent) over the net assets at December 31, 2010.

Additions to the HRA include contributions and investment earnings. For calendar year 2011, contributions slightly decreased from those of calendar year 2010 from \$4.27 million to \$4.26 million (0.2 percent).

Deductions from the HRA Plan net assets include participant and beneficiary refunds and administrative expense. For calendar year 2011 refunds amounted to \$1.4 million,

an increase of \$438 thousand (54.5 percent) over calendar year 2010. The increase in refunds was due to an increase in withdrawals for calendar year 2011.

The cost of administering the plan was \$17 thousand for calendar year 2011 compared to \$11 thousand for year 2010.

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



## Management's Discussion and Analysis (Continued)

Traditional IRA Plan			Health Reimbursement Arrangement (HRA)			Total Defined Contribution Plans			2011 Percent Change	2010 Percent Change
2011	2010	2009	2011	2010	2009	2011	2010	2009		
201	9	14	817	903	—	86,362	79,416	68,056	8.7%	16.7%
30,030	26,312	22,470	8,329	5,389	2,994	3,185,472	3,183,334	2,865,215	0.1	11.1
—	—	758	—	—	—	—	—	117,668	—	(100.0)
30,231	26,321	23,242	9,146	6,292	2,994	3,271,834	3,262,750	3,050,939	0.3	6.9
—	—	758	—	—	—	—	—	117,668	—	(100.0)
218	70	13	33	17	6	5,945	6,102	4,658	(2.6)	31.0
218	70	771	33	17	6	5,945	6,102	122,326	(2.6)	(95.0)
30,013	26,251	22,471	9,113	6,275	2,988	3,265,889	3,256,648	2,928,613	0.3%	11.2%

Traditional IRA Plan			Health Reimbursement Arrangement (HRA)			Total Defined Contribution Plans			2011 Percent Change	2010 Percent Change
2011	2010	2009	2011	2010	2009	2011	2010	2009		
7,346	6,097	3,161	4,264	4,274	1,974	255,262	267,483	257,744	(4.6)	3.8%
(55)	1,692	2,803	17	11	7	(17,832)	285,447	433,388	(106.2)	(34.1)
7,291	7,789	5,964	4,281	4,285	1,981	237,430	552,930	691,132	(57.1)	(20.0)
3,469	3,954	2,635	1,426	987	533	220,869	217,670	144,637	1.5	50.5
60	55	52	17	11	6	7,320	7,225	7,124	1.3	1.4
3,529	4,009	2,687	1,443	998	539	228,189	224,895	151,761	1.5	48.2
3,762	3,780	3,277	2,838	3,287	1,442	9,241	328,035	539,371	(97.2)	(39.2)%



## Utah Retirement Systems

# Basic Financial Statements

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

December 31, 2011

With Comparative Totals

for December 31, 2010

(in thousands)

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan	Tier 2 Public Employees System
<b>Assets:</b>							
Cash	\$ 76	2	20	2	1	1	2
Receivables:							
Member contributions	—	301	37	636	—	—	—
Employer contributions	34,994	563	4,030	—	147	—	542
Court fees and fire insurance tax	—	—	—	3,084	223	—	—
Investments	349,372	22,240	46,134	16,739	2,700	196	50
Total receivables	384,366	23,104	50,201	20,459	3,070	196	592
Investments at fair value:							
Short term securities, domestic	794,714	50,589	104,943	38,075	6,141	446	113
Short term securities, international	17,875	1,137	2,360	857	138	10	3
Debt securities, domestic	2,506,141	159,534	330,936	120,071	19,365	1,408	355
Debt securities, international	706,195	44,955	93,252	33,834	5,457	397	100
Equity investments, domestic	3,654,792	232,655	482,617	175,103	28,241	2,053	518
Equity investments, international	2,194,033	139,666	289,722	105,117	16,954	1,232	311
Absolute return	2,625,059	167,104	346,641	125,768	20,284	1,474	372
Private equity	1,800,558	114,619	237,765	86,266	13,913	1,011	255
Real assets	2,304,953	146,727	304,370	110,432	17,811	1,295	327
Mortgage loans	5,468	348	721	262	42	3	1
Total investments	16,609,788	1,057,334	2,193,327	795,785	128,346	9,329	2,355
Invested securities lending collateral	1,383,847	88,092	182,738	66,301	10,693	777	196
Property and equipment at cost, net of accumulated depreciation	908	58	119	43	7	1	—
Total assets	18,378,985	1,168,590	2,426,405	882,590	142,117	10,304	3,145
<b>Liabilities:</b>							
Securities lending liability	1,383,847	88,092	182,738	66,301	10,693	777	196
Disbursements in excess of cash balance	18,544	1,180	2,449	889	143	10	3
Compensated absences, post employment benefits and insurance reserve	13,662	870	1,804	655	106	8	2
Investment accounts payable	419,385	26,690	55,367	20,088	3,240	235	59
Real estate liabilities	608,075	38,708	80,296	29,133	4,700	341	86
Total liabilities	2,443,513	155,540	322,654	117,066	18,882	1,371	346
Net assets held in trust for pension benefits	\$15,935,472	1,013,050	2,103,751	765,524	123,235	8,933	2,799

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

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	2011	2010
2	106	4,373	76	14	201	—	4,664	4,770	4,940
—	974	—	—	—	—	—	—	974	982
12	40,288	—	—	—	—	—	—	40,288	39,107
—	3,307	—	—	—	—	—	—	3,307	145
2	437,433	73,442	7,439	—	—	817	81,698	519,131	729,711
14	482,002	73,442	7,439	—	—	817	81,698	563,700	769,945
4	995,025	—	—	—	—	8,329	8,329	1,003,354	1,036,700
—	22,380	—	—	—	—	—	—	22,380	25,054
12	3,137,822	1,259,071	140,329	9,015	17,411	—	1,425,826	4,563,648	4,945,144
3	884,193	77,210	9,040	909	1,511	—	88,670	972,863	881,454
17	4,575,996	1,174,896	131,128	10,966	8,552	—	1,325,542	5,901,538	6,172,480
10	2,747,045	262,513	29,519	3,012	2,106	—	297,150	3,044,195	3,106,442
12	3,286,714	—	—	—	—	—	—	3,286,714	3,137,599
9	2,254,396	—	—	—	—	—	—	2,254,396	1,839,452
11	2,885,926	34,963	4,049	493	450	—	39,955	2,925,881	3,023,729
—	6,845	—	—	—	—	—	—	6,845	6,845
78	20,796,342	2,808,653	314,065	24,395	30,030	8,329	3,185,472	23,981,814	24,174,899
7	1,732,651	—	—	—	—	—	—	1,732,651	1,256,870
—	1,136	—	—	—	—	—	—	1,136	860
101	23,012,237	2,886,468	321,580	24,409	30,231	9,146	3,271,834	26,284,071	26,207,514
7	1,732,651	—	—	—	—	—	—	1,732,651	1,256,870
—	23,218	1,049	35	—	200	—	1,284	24,502	13,014
—	17,107	—	—	—	—	—	—	17,107	16,620
2	525,066	4,412	189	9	18	33	4,661	529,727	922,679
3	761,342	—	—	—	—	—	—	761,342	985,577
12	3,059,384	5,461	224	9	218	33	5,945	3,065,329	3,194,760
89	19,952,853	2,881,007	321,356	24,400	30,013	9,113	3,265,889	23,218,742	23,012,754

**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, 2011

With Comparative Totals for

Year Ended December 31, 2010

(in thousands)

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan	Tier 2 Public Employees System
<b>Additions:</b>							
Contributions:							
Member	\$ 12,879	7,300	1,070	17,328	—	—	—
Employer	610,270	11,125	110,829	316	3,588	153	2,790
Court fees and fire insurance tax	—	—	—	12,689	1,815	—	—
Total contributions	623,149	18,425	111,899	30,333	5,403	153	2,790
Investment income:							
Net appreciation (depreciation) in fair value of investments	101,015	6,550	13,260	4,840	784	58	2
Interest, dividends and other investment income	334,768	21,707	43,947	16,040	2,599	193	8
Total income (loss) from investment activity	435,783	28,257	57,207	20,880	3,383	251	10
Less investment expenses	37,501	2,431	4,923	1,797	291	22	1
Net income (loss) from investment activity	398,282	25,826	52,284	19,083	3,092	229	9
Income from security lending activity	2,823	183	371	135	22	2	—
Net investment income	401,105	26,009	52,655	19,218	3,114	231	9
Transfers from affiliated systems	—	32,064	3,303	1,699	390	17	—
Total additions	1,024,254	76,498	167,857	51,250	8,907	401	2,799
<b>Deductions:</b>							
Retirement benefits	709,359	52,933	99,685	32,716	6,974	639	—
Cost of living benefits	134,337	15,160	20,482	8,313	1,675	162	—
Supplemental retirement benefits	—	282	403	377	—	—	—
Refunds	2,514	1,872	536	268	—	—	—
Administrative expenses	7,304	449	1,019	312	60	4	—
Transfers to affiliated systems	37,473	—	—	—	—	—	—
Total deductions	890,987	70,696	122,125	41,986	8,709	805	—
Increase (decrease) from operations	133,267	5,802	45,732	9,264	198	(404)	2,799
Net assets held in trust for pension benefits beginning of year	15,802,205	1,007,248	2,058,019	756,260	123,037	9,337	—
Net assets held in trust for pension benefits end of year	\$15,935,472	1,013,050	2,103,751	765,524	123,235	8,933	2,799

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

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	2011	2010
								—	38,577
89	739,160	—	—	—	—	4,264	4,264	743,424	686,874
—	14,504	—	—	—	—	—	—	14,504	12,621
89	792,241	210,592	26,441	6,619	7,346	4,264	255,262	1,047,503	1,022,356
—	126,509	(15,247)	(2,423)	(486)	(27)	—	(18,183)	108,326	2,210,433
—	419,262	3,172	301	—	—	17	3,490	422,752	451,916
—	545,771	(12,075)	(2,122)	(486)	(27)	17	(14,693)	531,078	2,662,349
—	46,966	2,789	300	22	28	—	3,139	50,105	52,706
—	498,805	(14,864)	(2,422)	(508)	(55)	17	(17,832)	480,973	2,609,643
—	3,536	—	—	—	—	—	—	3,536	3,997
—	502,341	(14,864)	(2,422)	(508)	(55)	17	(17,832)	484,509	2,613,640
—	37,473	—	—	—	—	—	—	37,473	7,112
89	1,332,055	195,728	24,019	6,111	7,291	4,281	237,430	1,569,485	3,643,108
—	902,306	—	—	—	—	—	—	902,306	849,300
—	180,129	—	—	—	—	—	—	180,129	177,643
—	1,062	—	—	—	—	—	—	1,062	1,187
—	5,190	194,933	18,811	2,230	3,469	1,426	220,869	226,059	223,840
—	9,148	6,465	726	52	60	17	7,320	16,468	17,730
—	37,473	—	—	—	—	—	—	37,473	7,112
—	1,135,308	201,398	19,537	2,282	3,529	1,443	228,189	1,363,497	1,276,812
89	196,747	(5,670)	4,482	3,829	3,762	2,838	9,241	205,988	2,366,296
—	19,756,106	2,886,677	316,874	20,571	26,251	6,275	3,256,648	23,012,754	20,646,458
89	19,952,853	2,881,007	321,356	24,400	30,013	9,113	3,265,889	23,218,742	23,012,754

Utah Retirement Systems

# Notes to the Basic Financial Statements

December 31, 2011

## Note 1 Description of Systems and Plans

A brief description of the Utah Retirement Systems (Systems) and 401(k), 457, Roth and Traditional IRA Plans (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 151.

### A) General Information and Reporting Entity

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



## Notes to the Basic Financial Statements *(Continued)*

December 31, 2011

- i) the **Public Employees Noncontributory Retirement System (Noncontributory System)**; the **Public Employees Contributory Retirement System (Contributory System)**; and the **Firefighters Retirement System** which are multiple-employer, cost sharing, public employee retirement systems;
- ii) the **Public Safety Retirement System** which is a mixed agent and cost-sharing, multiple-employer retirement system;
- iii) the **Judges Retirement System** and the **Utah Governors and Legislators Retirement Plan** which 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** which 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 IRA Plans, 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 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



**Notes to the Basic Financial Statements** (Continued)

December 31, 2011

**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 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		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 2.00% per year July 1975 to present	2.5% per year up to 20 years 2.0% per year over 20 years		5.00% first 10 years 2.25% second 10 years 1.00% over 20 years	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) below.

\*With actuarial reductions.

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

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 above.

The Utah Governors and Legislators Retirement Plan provides the following benefits. Former governors at age 65 receive \$1,260 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$27.60 per month per year of service. Retirement at age 62 with ten 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 IRA Plans, 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 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 375 employers participating in the 401(k) Plan and 160 employers participating in the 457 Plan. There are 146,187 plan participants in the 401(k) Plan, 16,661 participants in the 457 Plan, 3,281 participants in the Roth IRA Plan, 740 participants in the Traditional IRA Plan, and 1,748 participants in the HRA.



## Notes to the Basic Financial Statements (Continued)

December 31, 2011

## 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	430	159	130	57	1	1	456	145
Members:								
Active	87,901	2,137	7,619	1,932	111	115	4,777	99
Terminated vested	32,784	1,216	2,784	164	6	79	—	—
Retirees and beneficiaries:								
Service benefits	38,216	4,550	4,116	1,087	115	220	—	—
Disability benefits	—	2	9	86	—	—	—	—

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 thirty 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 their account balance, including interest which has been credited. Upon withdrawal a member forfeits the service credit which 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 which 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 in behalf of employees. The recognition of deferred compensation, employer contributions and earnings on the accounts are deferred for income tax purposes until actually paid to the participant or beneficiary. 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. 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.

## Notes to the Basic Financial Statements *(Continued)*

December 31, 2011

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

The **Public 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). 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.

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

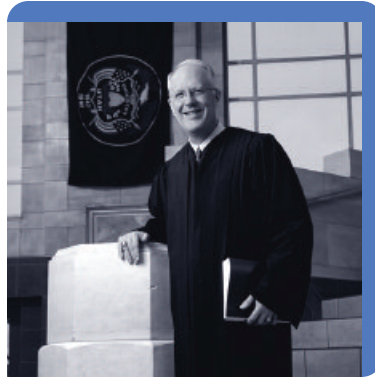
The **Utah Governors and Legislators Retirement Plan** includes only governors and legislators of the State.

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.

At December 31, 2011, participating members by System are included in the table on page 55.



### 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 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 adhere 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

**Notes to the Basic Financial Statements** *(Continued)*

December 31, 2011

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, 2010, 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.

Mortgages have been valued on an amortized cost basis which approximates market or fair value. The fair value of real estate investments has been estimated based on independent appraisals 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' 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
Building improvements .....	10 years
Furniture and equipment .....	3-10 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 have performed an evaluation of subsequent events through April 18, 2012, 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, 2011

### Note 3

## Deposits and Investment Risk Disclosures

#### 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 which is also the market or fair value. At December 31, 2011, the carrying amount of deposits totaled approximately \$(19,732,000) and the corresponding bank balance was \$132,380 of which none was exposed to custodial credit risk.

#### Cash Deposits *(in thousands)*

Cash .....	\$ 4,770
Disbursements in excess of cash balances .....	(24,502)
Total .....	\$(19,732)

#### B) Investments

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

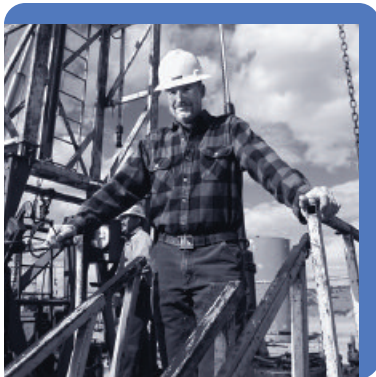
#### Investments

at December 31, 2011

*(in thousands)*

Fair Value

	Defined Benefit	Defined Contribution	Total All Systems and Plans
Debt securities, domestic	\$ 2,285,172	1,425,826	3,710,998
Debt securities, international	751,602	88,670	840,272
Equity securities, domestic	3,976,849	827,239	4,804,088
Equity securities, international	2,643,728	616	2,644,344
Short-term securities pools	1,017,405	8,329	1,025,734
Mortgage loans:			
Real estate notes	6,845	—	6,845
Real assets	2,885,926	39,955	2,925,881
Alternative investments (venture capital)	2,254,396	—	2,254,396
Absolute return	3,286,714	—	3,286,714
Mutual fund, domestic	—	498,303	498,303
Collective investment trust, international	—	296,534	296,534
Investments held by broker-dealers under securities lending program:			
U.S. Government and agency securities	802,588	—	802,588
Corporate debt securities, domestic	50,060	—	50,060
Debt securities, international	132,591	—	132,591
Equities securities, domestic	599,149	—	599,149
Equities securities, international	103,317	—	103,317
Total investments	\$20,796,342	3,185,472	23,981,814
Securities lending collateral pool (not categorized)	\$ 1,732,651	—	1,732,651



**Notes to the Basic Financial Statements** (Continued)

December 31, 2011

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

(in thousands)	12/31/2011	12/31/2010
Private equity	\$2,254,396	\$1,839,452
Absolute return	3,286,714	3,137,599
Real assets	2,925,881	2,814,306
	<u>\$8,466,991</u>	<u>\$7,791,357</u>

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 state-

ments 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 shall maintain a minimum overall rating of "A" (S&P) or equivalent rating.
- 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.

**Credit Risk Debt Securities at Fair Value**

at December 31, 2011

Quality Rating	(in thousands)			Defined Contribution Plans			Total All Systems and Plans
	Domestic	International	Total	Domestic	International	Total	
AAA	\$1,064,767	506,015	1,570,782	133,484	35,097	168,581	1,739,363
AA+	133,504	1,152	134,656	32,393	13,110	45,503	180,159
AA	15,319	7,793	23,112	56,656	999	57,655	80,767
AA-	18,415	105,736	124,151	1,306	18,305	19,611	143,762
A+	42,237	22,597	64,834	37,520	1,204	38,724	103,558
A	84,311	20,504	104,815	36,879	3,546	40,425	145,240
A-	171,716	90,451	262,167	25,172	2,898	28,070	290,237
BBB+	86,960	27,096	114,056	166,515	5,377	171,892	285,948
BBB	80,239	35,966	116,205	50,598	2,549	53,147	169,352
BBB-	49,188	21,474	70,662	26,541	1,575	28,116	98,778
BB+	14,279	14,142	28,421	22,084	753	22,837	51,258
BB	10,447	—	10,447	7,841	—	7,841	18,288
BB-	9,681	14,349	24,030	—	—	—	24,030
B+	353	—	353	23,342	120	23,462	23,815
B	14,074	—	14,074	—	—	—	14,074
B-	8,510	2,702	11,212	—	—	—	11,212
CCC+	3,778	444	4,222	—	—	—	4,222
CCC	26,482	—	26,482	—	—	—	26,482
CCC-	3,588	—	3,588	—	—	—	3,588
CC	10,411	—	10,411	—	—	—	10,411
D	5,503	—	5,503	—	—	—	5,503
NR	100,715	11,250	111,965	23,623	2,757	26,380	138,345
Total credit risk debt securities	1,954,477	881,671	2,836,148	643,954	88,290	732,244	3,568,392
U.S. Government and Agencies*	1,182,733	—	1,182,733	781,872	380	782,252	1,964,985
Pooled investments	612	2,522	3,134	—	—	—	3,134
Total debt securities investments	\$3,137,822	884,193	4,022,015	1,425,826	88,670	1,514,496	5,536,511

\*US Government and Agencies investments are comprised of 53% Fannie Mae, 19% Federal Home Loan Mortgage Company and 9% Ginnie Mae government mortgage backed securities and 19% in US Treasury Bonds. Implicitly guaranteed government agencies and instrumentalities are included in the quality ratings above.

## Notes to the Basic Financial Statements (Continued)

December 31, 2011

- 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 shall have on average an investment grade rating.

The Systems' weighted quality rating average of the domestic debt securities, excluding pooled investments, at December 31, 2011, is AAA, and the fair value of below grade investments is \$207,820,997 or 6.62% of the domestic portfolio. The weighted quality rating average of the international debt securities investments, at December 31, 2011, is AA+ and the fair value of below grade investments is \$42,444,328 or 4.80% of the international portfolio.



### Debt Securities Investments, Domestic

at December 31, 2011

(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	\$ 87,103	1.68	\$ 60,435	0.75	\$ 147,538
Commercial mortgage-backed	111,963	2.86	119,957	2.71	231,920
Corporate bonds	516,609	5.20	352,658	4.74	869,267
Corporate convertible bonds	3,438	0.88	—	—	3,438
Fixed income derivatives — futures	(476,753)	4.92	—	—	(476,753)
Fixed income derivatives — options	35	NA	—	—	35
Fixed income futures	476,753	NA	—	—	476,753
Government agencies	101,509	4.32	274,104	2.13	375,613
Government bonds	828,102	7.03	24,644	0.44	852,746
Government mortgage backed securities	971,337	1.88	288,372	2.06	1,259,709
Gov't-issued commercial mortgage-backed	1,441	4.86	—	—	1,441
Funds — corporate bond	85,650	NA	—	—	85,650
Guaranteed fixed income	1,443	1.45	—	—	1,443
Index linked government bonds	270,882	5.60	—	—	270,882
Municipal/Provincial bonds	14,722	11.95	32,213	9.76	46,935
Non-government backed C.M.O.s	156,375	2.24	—	—	156,935
Other fixed income	14	NA	40,521	NA	40,535
Collateral held elsewhere	1,010	NA	—	—	1,010
Other options	(14,252)	NA	—	—	(14,252)
Swap liabilities	(148)	NA	—	—	(148)
Swaps	589	NA	—	—	589
Treasury inflation protected securities	—	—	18,789	4.04	18,789
Treasury notes	—	—	200,608	4.21	200,608
Whole loan C.M.O.s	—	—	13,525	0.53	13,525
<b>Total</b>	<b>\$3,137,822</b>	<b>4.33</b>	<b>\$1,425,826</b>	<b>3.13</b>	<b>\$4,563,648</b>

### Debt Securities Investments, International

at December 31, 2011

(dollars in thousands)

Investment	Defined Benefit Plans		Defined Contribution Plans		All Systems and Plans
	Fair Value	Effective Weighted Duration	Fair Value	Effective Weighted Duration	
Asset backed securities	\$ 1,010	0.48	—	—	\$ 1,010
Corporate bonds	240,690	4.41	\$ 13,515	6.36	254,205
Fixed income derivatives — futures	(78,527)	7.01	(12,107)	6.33	(90,634)
Fixed income futures	78,527	NA	12,107	NA	90,634
Government agencies	12,001	2.93	238	3.80	12,239
Government bonds	274,977	5.73	40,401	7.93	315,378
Index linked government bonds	340,877	7.55	28,385	7.12	369,262
Municipal/Provincial bonds	7,761	2.85	—	—	7,761
Non-government backed C.M.O.s	6,592	0.05	2,848	0.16	9,440
Other options	285	NA	3,283	0.09	3,568
<b>Total</b>	<b>\$884,193</b>	<b>5.86</b>	<b>\$ 88,670</b>	<b>6.02</b>	<b>\$972,863</b>

## Notes to the Basic Financial Statements (Continued)

December 31, 2011

### 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 have an investment policy regarding custodial credit risk. At December 31, 2011, the table below represents the investments that have custodial credit risk. The \$12,104,000 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.

#### ▄▄▄ Custodial Credit Risk

##### Exposed to Custodial Credit Risk

Type of Investment	(in thousands) Fair Value
Cash and cash equivalents	\$12,104

##### Exposure to Custodial Credit Risk Not Determined

Type of Investment	(in thousands) Fair Value
Other assets	\$82,962

### 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 shall 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 shall constitute more than 4% of the securities of any single issuer. Also, no more than 8% of an investment manager's assets shall 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 shall 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 shall 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 shall 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.

At December 31, 2011, 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 to the following policy:

- For domestic debt securities managers, an individual debt securities investment manager's portfolio shall have an effective duration between 75 – 125% of the effective duration of the appropriate index.
- The international debt securities investment managers shall 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 Global Aggregate Index for international debt securities, and the Barclays Capital Global Inflation Bond Index (USD hedged) for inflation-linked debt securities. The index range at December 31, 2011, is 3.76 – 6.27 for domestic debt securities, 2.95 – 8.86 for international debt securities, and 8.77 – 13.15 for inflation-linked debt securities. At December 31, 2011, no individual debt security investment manager's portfolio was outside of the policy guidelines. At December 31, 2011, the tables on page 60 show the investments by investment type, amount and the effective weighted duration.

## Notes to the Basic Financial Statements (Continued)

December 31, 2011

### Foreign Currency Risk

International Investment Securities at Fair Value at December 31, 2011

Currency	<i>(in thousands)</i>				Defined Contribution Plans			Total All Systems and Plans
	Short Term	Debt	Defined Benefit Plans		Equity	Debt	Total	
ADR* US dollar	\$ —	6,787	829,319	836,106	6,278	23,470	29,748	865,854
Argentine peso	—	—	1,442	1,442	—	—	—	1,442
Australian dollar	1,755	28,586	69,504	99,845	17,593	1,307	18,900	118,745
Bahraini — US dollar	—	1,531	—	1,531	6	—	6	1,537
Bermuda — US dollar	—	1,766	—	1,766	1,185	58	1,243	3,009
Brazilian real	—	12,837	6,225	19,062	9,359	405	9,764	28,826
British pound sterling	4,199	243,948	361,292	609,439	42,989	9,192	52,181	661,620
Canadian dollar	763	67,475	118,704	186,942	25,165	6,069	31,234	218,176
Cayman Islands dollar	—	3,698	—	3,698	2,057	157	2,214	5,912
Chilean peso	—	848	—	848	1,195	645	1,840	2,688
Chinese yuan renminbi	—	—	24,989	24,989	7,927	—	7,927	32,916
Columbian peso	—	—	—	—	589	—	589	589
Congolese franc	—	—	—	—	10	—	10	10
Czech koruna	—	—	—	—	232	—	232	232
Croatian kuna	—	5,114	—	5,114	—	—	—	5,114
Danish krone	111	700	11,519	12,330	2,182	—	2,182	14,512
Egyptian pound	—	—	—	—	211	—	211	211
Euro	8,758	244,273	530,390	783,421	55,657	19,760	75,417	858,838
French Pacific franc	—	—	—	—	6	—	6	6
Gibraltar pound	—	—	—	—	33	—	33	33
Guernsey pound	—	203	—	203	—	—	—	203
Hong Kong dollar	1,099	4,565	55,673	61,337	6,922	—	6,922	68,259
Hungarian forint	—	9,449	—	9,449	179	(590)	(411)	9,038
Icelandic krona	—	2,152	—	2,152	—	—	—	2,152
Indian rupee	25	2,737	18,188	20,950	4,189	—	4,189	25,139
Indonesian rupiah	—	—	—	—	2,155	—	2,155	2,155
Isle of Man pound	—	—	—	—	134	—	134	134
Japanese yen	3,849	77,490	428,307	509,646	44,766	20,753	65,519	575,165
Korean won	—	8,724	30,913	39,637	10,273	—	10,273	49,910
Latvian lat	—	828	—	828	—	412	412	1,240
Malaysian ringgit	—	1,986	9,507	11,493	2,578	—	2,578	14,071
Mauritian rupee	—	—	1,134	1,134	67	2,286	2,353	3,487
Mexican peso	—	18,269	—	18,269	2,982	—	2,982	21,251
Moroccan dirham	—	—	—	—	100	—	100	100
Netherlands Antillean guilder	—	3,382	—	3,382	—	—	—	3,382
New Israeli shekel	69	6,026	15,599	21,694	1,378	—	1,378	23,072
New Zealand dollar	58	—	678	736	362	109	471	1,207
Norwegian krone	92	21,166	11,867	33,125	1,785	897	2,682	35,807
Peruvian nuevo soles	—	—	685	685	183	—	183	868
Philippines peso	—	—	3,076	3,076	528	—	528	3,604
Polish zloty	—	12,583	—	12,583	893	869	1,762	14,345
Qatari riyal	—	931	—	931	—	313	313	1,244
Russian Federation ruble	—	8,946	—	8,946	3,798	—	3,798	12,744
Singaporean dollar	114	29,536	27,581	57,231	3,249	1,427	4,676	61,907
South African rand	—	—	—	—	5,399	195	5,594	5,594
Swedish krona	685	37,191	31,729	69,605	6,049	1,544	7,593	77,198
Swiss franc	797	17,734	149,151	167,682	16,279	(846)	15,433	183,115
Taiwanese new dollar	6	—	2,212	2,218	7,850	—	7,850	10,068
Thai baht	—	—	1,934	1,934	1,466	—	1,466	3,400
Turkish lira	—	—	2,945	2,945	912	—	912	3,857
United Arab Emirates dirham	—	2,325	2,482	4,807	—	—	—	4,807
Venezuelan bolivar	—	407	—	407	—	238	238	645
<b>Total securities subject to foreign currency risk</b>	<b>\$22,380</b>	<b>884,193</b>	<b>2,747,045</b>	<b>3,653,618</b>	<b>297,150</b>	<b>88,670</b>	<b>385,820</b>	<b>4,039,438</b>

\*American Depository Receipts



## Notes to the Basic Financial Statements *(Continued)*

December 31, 2011

### 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 62.

### H) Security Lending

The Systems and Plans participate in a security lending program as authorized by Board policy, whereby securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities and irrevocable bank 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 \$1,687,706,000 and the collateral received for those securities on loan was \$1,732,651,000. 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 creditworthiness 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. Since 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.

### 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 are reported in the Statements of Fiduciary Net Assets — Pension (and Other Employee Benefit) Trust Funds. By policy, portfolio liabilities associated with investments shall be backed by cash equivalents or deliverable securities. URS does not have a policy regarding master netting arrangements. At December 31, 2011, the Systems and Plans had five types of derivative financial instruments: futures, currency forwards, options, swaps and Synthetic Guaranteed Investment Contracts.



## Notes to the Basic Financial Statements (Continued)

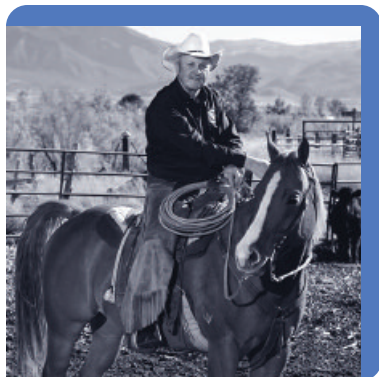
December 31, 2011

## Futures

	Notional Value			
	Defined Benefit Plans		Defined Contribution Plans	
	2011	2010	2011	2010
Cash & Cash Equivalent				
Derivative Futures				
Long	\$ —	—	—	—
Short	(66,714,338)	—	(3,638,964)	—
Equity				
Derivatives Futures				
Long	945,838,619	810,941,600	22,360,110	—
Short	—	(539,317,620)	—	—
Fixed Income				
Derivatives Futures				
Long	192,591,633	230,454,611	6,330,157	—
Short	(762,049,257)	(930,579,828)	(18,436,778)	—
<b>Total Futures</b>	<b>\$309,666,657</b>	<b>\$(428,501,237)</b>	<b>6,614,525</b>	<b>\$ —</b>

## 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 (losses) in the Statement of Changes in Fiduciary Net Assets. At December 31, 2011, the Systems' and Plans' investments had the notional future balances as shown above.



## 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 dominated 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. At December 31, 2011, the Systems' and Plans' investments included the currency forwards balances on page 65.

## 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. At December 31, 2011, the Systems' and Plans' investments had the option balances shown at left.

## Options

	Notional Market Value	
	2011	2010
Fixed Income		
Call	35,063	—
Put	—	—
Swaptions		
Call	(13,524,450)	(4,132,044)
Put	(443,086)	(1,994,935)
<b>Total Options</b>	<b>\$(13,932,473)</b>	<b>\$(6,126,979)</b>

**Notes to the Basic Financial Statements** (Continued)

December 31, 2011

**Currency Forwards**

Currency	Notional Cost	Pending Foreign Exchange Purchases	Pending Foreign Exchanging Sales	Defined Benefit	
				Fair Value 2011	Fair Value 2010
Australian dollar	\$ 13,075,739	40,509,398	(28,142,578)	12,366,820	(3,831,341)
British pound sterling	(84,725,190)	91,174,645	(176,009,363)	(84,834,718)	(81,731,088)
Canadian dollar	(12,787,695)	—	(12,916,255)	(12,916,255)	(7,801,293)
Danish krone	—	—	—	—	(2,091,778)
Euro	(86,391,267)	210,378,032	(288,435,951)	(78,057,919)	(105,497,931)
Hong Kong dollar	11,741,677	12,907,982	(1,143,910)	11,764,072	(51,760)
Japanese yen	119,192,033	164,621,232	(43,692,294)	120,928,938	60,685,898
Malaysian ringgit	(87,679)	—	(87,853)	(87,853)	—
Mexican peso	(707,258)	—	(696,027)	(696,027)	(808,342)
Norwegian krone	—	—	—	—	4,904,839
Singapore dollar	—	—	—	—	1,580,529
South Korean won	(4,599,709)	147,884	(4,662,417)	(4,514,533)	(7,101,424)
Swedish krona	(8,454,574)	12,371,140	(20,948,238)	(8,577,098)	(8,639,008)
Swiss franc	(6,851)	—	(6,878)	(6,878)	—
United States dollar	53,750,773	557,240,166	(503,489,393)	53,750,773	155,385,476
Total forwards subject to foreign currency risk				\$ 9,119,322	\$ 5,002,777

Currency	Notional Cost	Pending Foreign Exchange Purchases	Pending Foreign Exchanging Sales	Defined Contribution	
				Fair Value 2011	Fair Value 2010
Australian dollar	\$ 30,776	571,153	(565,911)	5,242	143,507
Brazilian real	(480,947)	—	(484,471)	(484,471)	—
British pound sterling	(9,616,575)	334,085	(9,927,607)	(9,593,522)	(391,412)
Canadian dollar	956,336	1,491,844	(509,531)	982,313	—
Chilean peso	(712,835)	—	(715,807)	(715,807)	—
Danish krone	—	—	—	—	58,422
Euro	1,553,413	10,601,283	(8,634,592)	1,966,691	—
Hungarian forint	(609,963)	—	(590,169)	(590,169)	—
Japanese yen	4,726,596	7,283,663	(2,478,571)	4,805,092	—
Malaysian ringgit	408,946	412,427	—	412,427	—
Mexican peso	1,731,760	1,730,536	—	1,730,536	—
New Zealand dollar	104,916	108,991	—	108,991	—
Norwegian krone	18,342	18,414	—	18,414	—
Polish zloty	448,418	458,883	—	458,883	—
Singaporean dollar	1,414,211	1,426,624	—	1,426,624	—
South African rand	(63,718)	—	(66,563)	(66,563)	—
Swedish krona	(2,477,529)	—	(2,523,002)	(2,523,002)	—
Swiss franc	(999,435)	—	(1,016,386)	(1,016,386)	—
United States dollar	3,567,288	27,886,542	(24,319,254)	3,567,288	186,321
Total forwards subject to foreign currency risk				\$ 492,581	\$ (3,162)

## Notes to the Basic Financial Statements (Continued)

December 31, 2011

## Real Estate Portfolio Interest Rate Swaps

Counterparty	Notional Amount	Utah Rate	Counterparty Rate	Maturity Date	Credit Rating	Fair Value 2011	Fair Value 2010
Morgan Stanley	\$ 63,150,000	4.679%	LIBOR*	2/1/2011	A-	\$ —	(240,231)
Merrill Lynch	37,300,000	5.448%	LIBOR*	10/3/2011	A-	—	(1,074,246)
National Australia Bank	20,000,000	5.325%	LIBOR*	10/3/2011	AA	—	(762,505)
National Australia Bank	27,500,000	5.332%	LIBOR*	10/3/2011	AA	—	(1,424,064)
National Australia Bank	6,218,500	4.900%	LIBOR*	12/1/2011	AA	—	(261,781)
Merrill Lynch	68,281,500	4.922%	LIBOR*	12/1/2011	A	—	(2,888,368)
Morgan Stanley	61,800,000	4.163%	LIBOR*	12/1/2011	A	—	(2,179,810)
Morgan Stanley	19,000,000	4.820%	LIBOR*	3/1/2012	A-	(143,594)	(986,610)
Merrill Lynch	3,400,000	4.874%	LIBOR*	3/1/2012	A-	(26,005)	(178,733)
Bayerische Landesbank	12,464,948	4.560%	LIBOR*	3/1/2012	A-	(88,816)	(609,174)
Merrill Lynch	40,677,000	4.989%	LIBOR*	6/1/2012	A-	(790,505)	(2,623,611)
Merrill Lynch	5,000,000	4.952%	LIBOR*	6/1/2012	A-	(96,345)	(319,805)
National Australia Bank	7,512,000	5.003%	LIBOR*	6/1/2012	AA-	(146,414)	(485,965)
Morgan Stanley	8,207,965	4.405%	LIBOR*	10/1/2012	A-	(248,213)	(550,201)
Morgan Stanley	26,467,452	4.466%	LIBOR*	10/1/2012	A-	(812,647)	(1,802,707)
Morgan Stanley	1,099,248	4.730%	LIBOR*	10/1/2012	A-	(35,954)	(79,997)
Morgan Stanley	29,370,000	4.739%	LIBOR*	10/1/2012	A-	(962,530)	(2,141,800)
National Australia Bank	4,856,670	4.675%	LIBOR*	11/1/2012	AA-	(174,052)	(362,397)
Morgan Stanley	4,869,065	4.748%	LIBOR*	12/31/2012	A-	(211,328)	(396,144)
Merrill Lynch	51,917,095	4.890%	LIBOR*	12/31/2012	A-	(2,327,812)	(4,372,548)
National Australia Bank	6,998,214	4.933%	LIBOR*	3/1/2013	AA-	(367,147)	(632,085)
Morgan Stanley	15,800,253	5.017%	LIBOR*	4/1/2013	A-	(904,384)	(1,498,358)
Morgan Stanley	10,350,000	5.176%	LIBOR*	4/1/2013	A-	(613,117)	(1,018,653)
National Australia Bank	14,203,150	5.329%	LIBOR*	5/1/2013	AA-	(924,254)	(1,486,351)
National Australia Bank	1,170,000	5.420%	LIBOR*	5/1/2013	AA-	(77,567)	(124,937)
National Australia Bank	5,128,500	5.360%	LIBOR*	8/1/2013	AA-	(397,435)	(582,143)
Morgan Stanley	1,152,466	4.308%	LIBOR*	11/1/2013	A-	(80,604)	(105,019)
National Australia Bank	20,337,593	5.077%	LIBOR*	12/2/2013	AA-	(1,787,933)	(2,341,930)
Merrill Lynch	928,028	4.950%	LIBOR*	5/1/2014	A-	(95,121)	(111,605)
National Australia Bank	2,443,700	4.955%	LIBOR*	6/2/2014	AA-	(259,182)	(298,239)
Morgan Stanley	8,703,500	4.694%	LIBOR*	10/1/2014	A-	(976,657)	(1,027,577)
Morgan Stanley	13,596,699	4.447%	LIBOR*	10/20/2014	A-	(1,458,795)	(1,488,659)
Morgan Stanley	31,397,826	4.406%	LIBOR*	11/1/2014	A-	(3,363,515)	(3,394,825)
Merrill Lynch	35,309,122	5.273%	LIBOR*	2/1/2015	A-	(5,024,768)	(5,138,095)
Morgan Stanley	32,600,000	5.046%	LIBOR*	9/1/2015	A-	(5,078,590)	(4,668,776)
Morgan Stanley	32,900,000	4.868%	LIBOR*	1/4/2016	A-	(5,267,386)	(4,520,573)
Morgan Stanley	133,704,000	5.292%	LIBOR*	5/2/2016	A-	(25,110,397)	(21,596,562)
Morgan Stanley	17,250,000	5.464%	LIBOR*	7/1/2016	A-	(3,462,281)	(2,969,846)
Merrill Lynch	7,640,000	5.430%	LIBOR*	7/1/2016	A-	(1,521,817)	(1,301,476)
Morgan Stanley	44,276,861	5.342%	LIBOR*	9/1/2016	A-	(8,880,919)	(7,397,317)
National Australia Bank	11,801,225	5.125%	LIBOR*	12/1/2016	AA-	(2,331,396)	(1,846,638)
National Australia Bank	985,352	5.110%	LIBOR*	12/1/2016	AA-	(193,942)	(153,346)
National Australia Bank	5,080,000	4.9700%	LIBOR*	1/3/2017	AA-	(977,117)	(751,379)
Morgan Stanley	4,485,385	4.690%	LIBOR*	3/1/2018	A-	(904,191)	(594,551)
Morgan Stanley	71,700,000	4.722%	LIBOR*	10/1/2020	A-	(17,567,910)	(9,508,537)
Morgan Stanley	43,660,000	5.294%	LIBOR*	11/1/2021	A-	(13,647,384)	(8,201,294)
Total Real Estate Interest Rate Swaps	\$1,072,693,317					\$(107,338,024)	(106,499,468)

\*One month London Interbank Offered Rate (LIBOR)

## Notes to the Basic Financial Statements (Continued)

December 31, 2011

**SWAPS**

The Systems and Plans have entered into various inflation and interest rate swap agreements in an attempt to manage their exposure to inflation 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.

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, 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

**Fixed Income Portfolio Interest Rate Swaps**

Counterparty	Notional Amount	Utah Rate	Counterparty Rate	Maturity Date	Credit Rating	Defined Benefit	
						Fair Value 2011	Fair Value 2010
Goldman Sachs	\$ 32,000,000	5.5030%	LIBOR**	7/12/2012	A	\$ —	3,197,142
Deutsche Bank, AG	10,600,000	0.9375%	LIBOR**	12/20/2012	A+	—	(34,686)
Credit Suisse International	13,200,000	LIBOR**	0.7990%	11/30/2013	A+	22,410	—
Goldman Sachs Bank	60,000,000	LIBOR**	0.7394%	12/22/2013	A-	26,370	—
Credit Suisse International	61,000,000	LIBOR**	0.7425%	12/22/2013	A+	30,604	—
Credit Suisse First Boston	700,000	1.3600%	LIBOR**	11/8/2015	A+	—	23,398
Deutsche Bank	2,700,000	2.1625%	LIBOR**	1/13/2016	A+	(147,663)	—
Credit Suisse International	2,000,000	2.4013%	LIBOR**	3/8/2016	A+	125,453	—
Credit Suisse International	13,100,000	2.0550%	LIBOR**	5/20/2016	A+	(565,627)	—
Deutsche Bank	6,000,000	1.7780%	LIBOR**	6/29/2016	A+	(176,477)	—
Deutsche Bank	4,800,000	1.7820%	LIBOR**	6/29/2016	A+	(142,027)	—
Goldman Sachs Bank	13,100,000	LIBOR**	2.2700%	8/15/2016	A-	158,278	—
Credit Suisse First Boston	5,000,000	3.6000%	LIBOR**	12/9/2019	A+	—	(169,846)
Goldman Sachs	14,200,000	2.7200%	LIBOR**	9/20/2020	A	—	624,946
J.P. Morgan Chase Bank	138,650	3.4175%	LIBOR**	12/16/2020	A	(17,589)	—
Deutsche Bank, AG	2,690,000	USCPIU***	2.6500%	12/20/2020	A+	—	11,476
Goldman Sachs Bank	5,800,000	5.0800%	LIBOR**	5/9/2021	A-	1,612,519	—
Credit Suisse International	9,000,000	LIBOR**	2.1775%	11/10/2021	A+	155,468	—
Deutsche Bank	13,000,000	LIBOR**	2.1525%	11/21/2021	A+	177,869	—
Credit Suisse International	14,100,000	LIBOR**	2.0400%	12/21/2021	A+	18,056	—
Deutsche Bank, AG	2,320,000	USCPIU***	2.9400%	12/17/2030	A+	—	14,193
Goldman Sachs	5,600,000	3.3700%	LIBOR**	10/5/2040	A	—	677,394
Goldman Sachs	4,500,000	3.6800%	LIBOR**	11/3/2040	A	—	310,628
Goldman Sachs	5,600,000	LIBOR**	4.0575%	12/9/2040	A	—	(38,485)
Goldman Sachs Bank	1,600,000	4.2825%	LIBOR**	4/19/2041	A-	(574,871)	—
Credit Suisse International	2,200,000	2.9630%	LIBOR**	10/14/2041	A+	(178,191)	—
Goldman Sachs Bank	4,100,000	2.7150%	LIBOR**	11/30/2041	A-	(101,359)	—
<b>Total Inflation Rate Swaps and Interest Rate Swaps</b>	<b>\$309,048,650</b>					<b>\$ 423,223</b>	<b>4,616,160</b>

Counterparty	Notional Amount	Utah Advisor Rate	Counterparty Rate	Maturity Date	Credit Rating	Defined Contribution	
						Fair Value 2011	Fair Value 2010
J.P. Morgan Chase Bank	\$2,100,000	1.907 (EUR)	EURIBOR****	4/11/2016	A	\$ 23,651	—

\*\*Three Month London Interbank Offered Rate (LIBOR) \*\*\*USCPI Urban Consumer Non-Seasonally Adjusted Index

\*\*\*\*Six Month Euro Interbank Offered Rate (EURIBOR)

**Notes to the Basic Financial Statements** (Continued)

December 31, 2011

some of their interest rate risk. All swap instruments contain collateral clauses. As of December 31, 2011, no collateral was held. 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. At December 31, 2011, 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 which 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 at December 31, 2011, if all counterparties fail to perform as contracted is \$1,149,625,441. This maximum exposure is reduced by \$1,256,833,587 of liabilities, resulting in no net exposure to credit risk. Credit ratings for the wrap contracts associated with the SGICs are noted below. At December 31, 2011, 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	Swaps	Total
AA	\$ 1,187,944	—	—	1,187,944
AA-	(486,291)	—	(7,636,439)	(8,122,730)
A+	8,310,493	(11,280,880)	(680,125)	(3,650,512)
A	586,466	—	6,062	592,528
A-	13,291	(2,686,656)	(98,580,648)	(101,254,013)
N/A	—	35,063	—	35,063
Total subject to credit risk	\$9,611,903	\$(13,932,473)	\$(106,891,150)	\$(111,211,720)

**Synthetic Guaranteed Investment Contracts Underlying Investments**

Underlying Investments	<i>(in thousands)</i>					
	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	\$ 32,838	33,445	19,173	20,388	52,011	53,833
Agencies	168,104	171,211	96,595	102,715	264,699	273,926
Corporates	65,828	67,045	61,033	64,900	126,861	131,945
Mortgage Back Securities	62,372	63,524	16,911	17,983	79,283	81,507
Treasuries	93,380	95,106	109,053	115,962	202,433	211,068
Commercial Mortgage backed Securities	83,569	85,113	32,778	34,855	116,347	119,968
Cash	2,237	2,278	12,422	13,209	14,659	15,487
Total	\$508,328	517,722	347,965	370,012	856,293	887,734

**Wrap Contracts**

Contract Issuer	<i>(in thousands)</i>				
	Fair Value	Market Value	Rate	Duration	Quality Rating
Bank of America	\$103,448	105,642	1.99%	2.27	A+
NATIXIS Financial	64,313	65,468	1.86	2.27	A+
J.P. Morgan Chase	67,761	72,171	3.15	3.55	AA-
MetLife	37,811	40,358	3.27	3.55	AA-
Monumental Life	92,420	93,917	1.78	2.27	AA-
Monumental Life	68,137	72,355	3.10	3.55	AA-
Pacific Life	181,561	184,826	1.83	2.27	A+
Rabobank	63,087	67,308	3.37	3.55	AA
Royal Bank of Canada	103,842	110,336	3.13	3.55	AA-
State Street Bank	73,913	75,353	1.99	2.27	AA-
Subtotal wrap contracts	856,293	887,734			
Bank of America repurchase	44,087	44,087	0.02%		
Total	\$900,380	931,821			

**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

**Notes to the Basic Financial Statements** *(Continued)*

December 31, 2011

remote. The underlying investments are high credit quality averaging AA- 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 at December 31, 2011, is \$856,293,000 and the market value is \$887,734,000.

**J) Investment Payables**

The investment accounts payable are comprised of investment advisor fees payable of \$11,180,000, administrative expenses payable of \$5,097,000, investment purchases payable of \$508,995,000 and various real estate payables of \$4,455,000.

**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 that the investments were made in accordance with the investment policies which 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, 2011 and 2010. There were no significant leases as of December 31, 2011 or 2010.

**Property and Equipment**

	<i>(in thousands)</i>	
	2011	2010
Land	\$ 1,780	1,780
Buildings and building improvements	11,555	11,555
Furniture and equipment	5,725	4,120
Total property and equipment	19,060	17,455
Less accumulated depreciation:		
Buildings and building improvements	8,027	7,500
Furniture and equipment	3,631	3,445
Total accumulated depreciation	11,658	10,945
Less operating reserves	6,266	5,650
Net property and equipment	\$ 1,136	860

**Note 5**  
**Actuarial Valuations and Methods****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 five-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 change allows more of the 2008 investment losses to be smoothed into the actuarial value of assets over the next four years rather than being recognized in this valuation.

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 70 were utilized in determining the actuarial value of assets as of January 1, 2011, and December 31, 2011, and the next table shows the smoothed actuarial value of assets for each System.

**Notes to the Basic Financial Statements** (Continued)

December 31, 2011

**Calculation of Actuarial Value of Assets**

January 1, 2011

(dollars in thousands)

1. Fair value of assets				\$19,756,106
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:				
	Year	Total Excess/ (Shortfall)	Percent Deferred	Amount Deferred
	a. 2010	\$ 955,382	80%	\$ 764,306
	b. 2009	855,755	60%	513,453
	c. 2008	(6,490,100)	40%	(2,596,041)
	d. 2007	(286,303)	20%	(57,262)
	e. 2006	1,116,942	0%	0
	f. Total deferred gains (losses)			(1,375,544)
	g. Total deferred losses			1,375,544
3. Actuarial value of assets available for benefits*				\$21,131,650

December 31, 2011

(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)	Percent 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

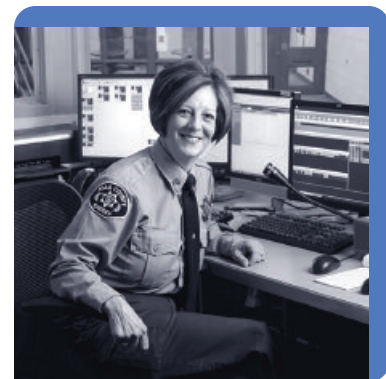
\*Actuarial value of assets cannot exceed 125% of the fair value of assets or below 75% of the fair value of assets.

**Actuarial Value of Assets by System**

January 1, 2011

(in thousands)

Calculation of Net Assets Available Based on Five Year Expected Investment Income	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System	Total All Systems
1. Net assets available for benefits at fair value	\$15,762,570	1,046,883	2,058,019	756,260	123,037	9,337	—	—	19,756,106
2. Deferral to smooth asset values based on excess/shortfall of expected investment income on fair value	1,090,121	85,778	135,997	53,956	8,832	860	—	—	1,375,544
3. Actuarial value of assets available for benefits (1-2)	\$16,852,691	1,132,661	2,194,016	810,216	131,869	10,197	—	—	21,131,650





**Notes to the Basic Financial Statements** *(Continued)*

December 31, 2011

**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, 2011, 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 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.

**Note 6****Actuarial Valuations and Methods**

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 below summarizes contribution rates in effect at December 31, 2011.

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 on the top of page 72 for the Firefighters and Judges Systems, respectively. These contribution rates also include rates for a 3% benefit enhancement which is funded by the State. For contribution rate purposes the actuary evaluates the assets of the Systems based on a five-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,

**Contribution Rates**

December 31, 2011

System	Contribution Rates as a Percent of Covered Payroll		
	Member	Employer	Other
Noncontributory	—	13.77-16.86%	—
Contributory	6.00%	9.76-12.37	—
Public Safety:			
Noncontributory	—	27.07-36.71	—
Contributory	10.50-12.29	15.78-23.22	—
Firefighters:			
Division A	15.05	0.50	11.87%
Division B	16.18	—	11.34
Judges:			
Noncontributory	—	25.82	14.26
Governors and Legislators	—	\$153,398	—
Tier 2 Public Employees	—	12.74-15.15%	—
Tier 2 Public Safety and Firefighters	—	12.19-27.37	—

## Notes to the Basic Financial Statements (Continued)

December 31, 2011

2011, is indicated in the schedule on page 82.

Member contributions in the 401(k), 457, Roth and Traditional IRA Plans, total \$250,998,000 which in combination with the member contributions made in the Retirement Systems total \$289,575,000.

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

### Required Contributions

(dollars in thousands)

System	Contribution Requirements					Total Required Contributions
	Normal Cost		Unfunded Cost (assets in excess)			
	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll		
Noncontributory Retirement System	\$482,971	12.38%	\$140,178	3.59%	\$623,149	
Contributory Retirement System	12,126	11.01	6,299	5.72	18,425	
Public Safety Retirement System	79,278	21.18	32,621	8.72	111,899	
Firefighters Retirement System	28,949	26.14	1,384	1.25	30,333	
Judges Retirement System	3,951	26.48	1,452	9.73	5,403	
Utah Governors and Legislators Retirement Plan	153	16.81	—	0.00	153	
Tier 2 Public Employees System	2,790	7.58	—	0.00	2,790	
Tier 2 Public Safety and Firefighters System	89	10.52	—	0.00	89	
<b>Total</b>	<b>\$610,307</b>		<b>\$181,934</b>		<b>\$792,241</b>	



### Note 7 Funded Status

The funded status of the Retirement Systems as of January 1, 2011, the most recent actuarial valuation date is as shown below.

Actuarial valuations of the ongoing plan involve estimates of the value 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

statute 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.

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

### Funded Status

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	1/01/11	\$16,852,691	20,388,759	3,536,068	82.7%	\$3,888,179	90.9%
Contributory Retirement System	1/01/11	1,132,661	1,251,412	118,751	90.5	116,395	102.0
Public Safety Retirement System	1/01/11	2,194,016	2,844,101	650,085	77.1	363,037	179.1
Firefighters Retirement System	1/01/11	810,216	872,133	61,917	92.9	105,275	58.8
Judges Retirement System	1/01/11	131,869	167,581	35,712	78.7	14,234	250.9
Utah Governors and Legislative Retirement Plan	1/01/11	10,197	11,513	1,316	88.6	910	144.6

## Notes to the Basic Financial Statements (Continued)

December 31, 2011

Total Actual Contributions	Contributions Made					
	Member		Employer		Covered Payroll	Percent Contributed
	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll		
\$623,149	\$12,879	0.33%	\$610,270	15.65%	\$3,900,106	100%
18,425	7,300	6.63	11,125	10.10	110,103	100
111,899	1,070	0.29	110,829	29.61	374,293	100
30,333	17,328	15.65	13,004	11.74	110,751	100
5,403	—	0.00	5,403	36.22	14,918	100
153	—	0.00	153	16.81	910	100
2,790	—	0.00	2,790	7.58	36,821	100
89	—	0.00	89	10.41	855	100
792,241	\$38,577		\$753,664		\$4,548,757	



## 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	1/1/11	1/1/11	1/1/11	1/1/11	1/1/11	1/1/11	1/1/11	1/1/11
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	NA*	NA*
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	NA*	NA*
Amortization period	Open Group	Open Group	Open Group	Open Group	Open Group	Open Group	NA*	NA*
	23 Year Closed Period	23 Year Closed Period	23 Year Closed Period	23 Year Closed Period	23 Year Closed Period	23 Year Closed Period	NA*	NA*
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%	NA*	NA*
Projected salary increases	3.75-10.75%	3.75-10.75%	3.75-9.25%	3.75-9.75%	3.75%	None	NA*	NA*
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	NA*	NA*
Post retirement cost-of-living adjustment	2.75%	2.75%	2.50% or 2.75% Depending on employer	2.75%	2.75%	2.75%	NA*	NA*

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.

\*As of January 1, 2011, there was no actuarial accrued liability. The effective date of the new Tier 2 Retirement Systems was July 1, 2011.

## Notes to the Basic Financial Statements *(Continued)*

December 31, 2011

### *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 11*

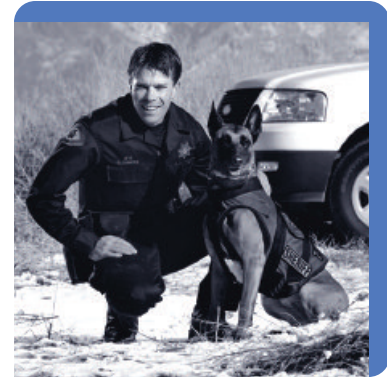
## Commitments

At December 31, 2011, the Systems had committed to fund certain private equity partnerships and real estate projects for an amount of \$7,553,091,000. Funding of \$4,940,165,000 had been provided by December 31, 2011, leaving an unfunded commitment of \$2,612,926,000, as of December 31, 2011.

### *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.



### *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.

## Notes to the Basic Financial Statements *(Continued)*

December 31, 2011

### 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 16.86% 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, 2011, 2010, and 2009 were \$1,794,924, \$1,659,298, and \$1,543,302 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, 2011, were \$3,457. 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 IRA Plans.

**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 upon retirement. The employer 401(k) contributions for the years ended December 31, 2011, 2010, 2009 are \$401,088, \$382,286, and \$390,188 respectively; the employee contributions for the years ending December 31, 2011, 2010, 2009 are: \$437,623, \$459,476, and \$486,056

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, 2011, 2010, 2009 are: \$241,806, \$251,940, and \$260,055 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 2011, 2010 and 2009 the Roth IRA employee contributions were \$89,118, \$69,720, and \$58,719 respectively. For the years ended 2011, 2010 and 2009 the traditional IRA employee contributions were \$1,080, \$400, and \$400 respectively.



**Notes to the Basic Financial Statements** *(Continued)*

December 31, 2011

**Note 13**  
**Post Employment Healthcare Plan**

**Plan Description**

The Utah Retirement Office contributes to a noncontributory defined benefit post employment healthcare plan to provide postemployment 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.

**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 twenty year period using the level dollar amount. The current dollar amount is \$285,000.

**Annual Costs**

For the calendar year ending December 31, 2011, the annual cost (expense) of \$285,000 for UREPEHP was equal to the ARC. The net Other Post Employment Benefits (OPEB) obligation for 2011 was as follows:

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

**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
<hr/>	
Unfunded actuarial accrued liability (UAAL) .....	\$2,571,000
<hr/>	
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%



**Notes to the Basic Financial Statements** (Continued)

December 31, 2011

**Schedule of Funding Progress**

(dollars in thousands)

Division	Date*	Based on fair value of assets		(3) Unfunded AAL (UAAAL) (2) - (1)	(4) Funding Ratios Ratios (1) / (2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
		(1) Actuarial Value of Assets	(2) Accrued Liability (AAL) Entry Age				
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	5,028	7,615	2,587	66.0	7,385	35.0

**Schedule of Required Contributions**

January 1, 2011

(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

\*Additional years will be added as they become available.

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 with past expectations and new estimates are made about the future. The schedule of funding progress above, 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, 2011, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.0 percent, reduced by decrements to an ultimate rate of 5.0 percent after 10 years. Both rates include a 2.75 percent 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 air value is smoothed over a five-year period with 20% of a year's excess of 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.

## Notes to the Basic Financial Statements *(Continued)*

December 31, 2011

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

The compensated absences liability for Utah Retirement Office employees at December 31, 2011, is \$3,703,000. This represents the amount of unused leave to be paid to employees upon termination. At December 31, 2011 the insurance reserve was \$5,139,000. 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** (Continued)

December 31, 2011

**Note 17****Real Estate Liabilities**

The real estate liabilities consist of four credit facility (lines of credit) loans, four private placement notes and two mortgage loans. These loans and notes bear various interest rates and are scheduled to be repaid over the next seven years. The mortgages are secured by real estate. The rest of the liabilities are unsecured. As mentioned in Note 3, page 66, 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, 2011, there are \$695 million in credit facility debt, \$45 million in private placement notes, and \$21.3 million in mortgages. Using interest rates as of December 31, 2011, principal and interest requirements of the debt and net swap payments for the terms of the debt and swaps are shown at right.

**Real Estate Liabilities**

(in thousands)

	Initial/Affected Balance	Maturity Date	Annual Payment
BP Paribas Credit Facility*	\$425,000	3/24/2017	\$ 85,000
BP Paribas Credit Facility	100,000	3/31/2012	Interest Only
KBC Bank Credit Facility	50,000	12/15/2012	Interest Only
The Northern Trust	120,000	8/1/2012	Interest Only
Private Placement Notes:			
State Farm Life Insurance Co.	17,618	7/1/2016	4,296
State Farm Life & Acc. Assur. Co.	452,000	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
Northwestern Mutual	15,119	1/15/2018	1,473
Aegon USA	6,153	10/1/2012	629
<b>Total</b>	<b>\$761,342</b>		

(in thousands)

Year Ending December 31,	Total Principal Payments	Total Interest Payments**	Total Swap Payments***
2012	\$280,355	6,187	37,610
2013****	103,353	3,898	34,081
2014	115,975	3,249	25,872
2015	89,172	2,632	23,624
2016	87,529	1,587	19,694
Thereafter	84,958	105	33,880

\*Line of Credit will convert to a term loan with principle payable in five equal installments beginning March 2013.

\*\*Interest calculated using December 31, 2011 One Month LIBOR for variable interest loans.

\*\*\*Interest rate swaps listed on page 67; swap payments calculated using December 31, 2011 One Month LIBOR.

\*\*\*\*Projections assume that the Northwestern Mutual mortgage will be paid off early in 2013 when a prepayment penalty ends.



# 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 (UAAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAAL as a % of Covered Payroll (3)/(5)
<b>Noncontributory Retirement System</b>	1/01/03	\$10,848,586	11,764,353	915,767	92.2%	\$2,926,449	31.3%
	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
	12/31/11	16,861,064	21,516,510	4,655,446	78.4	3,900,106	119.4
<b>Contributory Retirement System</b>	1/01/03	\$ 899,290	976,918	77,628	92.1%	\$ 142,325	54.5%
	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
	12/31/11	1,080,139	1,278,272	198,133	84.5	110,103	180.0
<b>Public Safety Retirement System</b>	1/01/03	\$ 1,349,435	1,458,491	109,056	92.5%	\$ 268,478	40.6%
	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
	12/31/11	2,222,202	3,044,707	822,505	73.0	374,293	219.7

See accompanying notes to required supplementary information.

## Utah Retirement Systems

Required Supplementary Information *(Continued)*Schedules of Funding Progress *(Continued)**(dollars in thousands)*

System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded (Overfunded) AAL (UAAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAAL as a % of Covered Payroll (3)/(5)
<b>Firefighters Retirement System</b>	1/01/03	\$553,589	521,164	(32,425)	106.2%	\$ 71,354	(45.4)%
	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
	12/31/11	810,764	926,634	115,870	87.5	110,751	104.6
<b>Judges Retirement System</b>	1/01/03	\$ 90,904	90,573	(331)	100.4%	\$ 11,173	(3.0)%
	1/01/04	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
	12/31/11	130,561	175,763	45,202	74.3	14,918	303.0
<b>Utah Governors and Legislators Retirement Plan</b>	1/01/03	\$ 10,719	8,706	(2,013)	123.1%	\$ 556	(362.1)%
	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
	12/31/11	9,565	11,722	2,157	81.6	910	237.0
<b>Tier 2 Public Employees Retirement System*</b>	12/31/11	\$ 2,833	2,806	(27)	101.0%	\$ 36,821	(0.1)%
<b>Tier 2 Public Safety and Firefighters Retirement System*</b>	12/31/11	\$ 90	90	0	100.0%	\$ 855	(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 (Continued)

## 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
<b>Noncontributory Retirement System</b>	2002	\$291,256	100%	<b>Judges Retirement System</b>	2002	\$2,853	100%
	2003	314,511	100		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
	<b>Contributory Retirement System</b>	2002	\$ 6,735		100%	<b>Utah Governors and Legislators Retirement Plan</b>	2002
2003		7,297	100	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
<b>Public Safety Retirement System</b>		2002	\$ 42,264	100%	<b>Tier 2 Public Employees Retirement System*</b>		2011
	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				
	<b>Firefighters Retirement System</b>	2002	\$ 9,454	100%		<b>Tier 2 Public Safety and Firefighters Retirement System*</b>	2011
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				

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

See accompanying notes to required supplementary information.

## Utah Retirement Systems

# Notes to the Required Supplementary Information

December 31, 2011

### Note 1

#### Schedules of Funding Progress

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 2011, and calendar year 2011 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 five-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 69.

### 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	1/1/11	1/1/11	1/1/11	1/1/11	1/1/11	1/1/11	1/1/11	1/1/11
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	NA*	NA*
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	NA*	NA*
Amortization period	Open Group	Open Group	Open Group	Open Group	Open Group	Open Group	NA*	NA*
	23 Year Closed Period	23 Year Closed Period	23 Year Closed Period	23 Year Closed Period	23 Year Closed Period	23 Year Closed Period	NA*	NA*
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%	NA*	NA*
Projected salary increases	3.75-10.75%	3.75-10.75%	3.75-9.25%	3.75-9.75%	3.75%	None	NA*	NA*
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	NA*	NA*
Post retirement cost-of-living adjustment	2.75%	2.75%	2.50% or 2.75% Depending on employer	2.75%	2.75%	2.75%	NA*	NA*

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.

\*As of January 1, 2011, there was no actuarial accrued liability. The effective date of the new Tier 2 Retirement Systems was July 1, 2011.

## Noncontributory Retirement System

### Schedules of Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2011

With Comparative Totals for December 31, 2010

(in thousands)

	Local Government	State and School	Total All Divisions	
			2011	2010
<b>Assets:</b>				
Cash	\$ 1	75	76	321
Receivables:				
Employer contributions	4,560	30,434	34,994	34,977
Investments	63,211	286,161	349,372	523,730
Total receivables	67,771	316,595	384,366	558,707
Investments at fair value:				
Short term securities, domestic	143,786	650,928	794,714	824,763
Short term securities, international	3,234	14,641	17,875	20,037
Debt securities, domestic	453,432	2,052,709	2,506,141	2,818,949
Debt securities, international	127,771	578,424	706,195	704,920
Equity investments, domestic	661,255	2,993,537	3,654,792	3,804,248
Equity investments, international	396,963	1,797,070	2,194,033	2,210,651
Absolute return	474,948	2,150,111	2,625,059	2,509,212
Private equity	325,772	1,474,786	1,800,558	1,471,054
Real assets	417,031	1,887,922	2,304,953	2,418,148
Mortgage loans	989	4,479	5,468	5,475
Total investments	3,005,181	13,604,607	16,609,788	16,787,457
Invested securities lending collateral	250,377	1,133,470	1,383,847	1,005,149
Property and equipment at cost, net of accumulated depreciation	164	744	908	688
Total assets	3,323,494	15,055,491	18,378,985	18,352,322
<b>Liabilities:</b>				
Securities lending liability	250,377	1,133,470	1,383,847	1,005,149
Disbursements in excess of cash balance	3,355	15,189	18,544	9,560
Compensated absences, post employment benefits and insurance reserve	2,472	11,190	13,662	13,292
Investment accounts payable	75,860	343,525	419,385	733,926
Real estate liabilities	110,018	498,057	608,075	788,190
Total liabilities	442,082	2,001,431	2,443,513	2,550,117
Net assets held in trust for pension benefits	\$2,881,412	13,054,060	15,935,472	15,802,205

## Noncontributory Retirement System

### Schedules of Changes in Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2011

With Comparative Totals for December 31, 2010

(in thousands)

	Local Government	State and School	Total All Divisions	
			2011	2010
<b>Additions:</b>				
Contributions:				
Member	\$ 4,062	8,817	12,879	33,528
Employer	120,241	490,029	610,270	564,154
Total contributions	124,303	498,846	623,149	597,682
Investment income:				
Net appreciation in fair value of investments	18,149	82,866	101,015	1,538,942
Interest, dividends and other investment income	60,146	274,622	334,768	358,338
Total income from investment activity	78,295	357,488	435,783	1,897,280
Less investment expenses	6,738	30,763	37,501	39,296
Net income from investment activity	71,557	326,725	398,282	1,857,984
Income from security lending activity	507	2,316	2,823	2,992
Net investment income	72,064	329,041	401,105	1,860,976
Total additions	196,367	827,887	1,024,254	2,458,658
<b>Deductions:</b>				
Retirement benefits	109,917	599,442	709,359	661,718
Cost of living benefits	18,541	115,796	134,337	132,086
Refunds	452	2,062	2,514	3,620
Administrative expenses	1,281	6,023	7,304	8,389
Transfers to affiliated systems	8,032	29,441	37,473	3,202
Total deductions	138,223	752,764	890,987	809,015
Increase from operations	58,144	75,123	133,267	1,649,643
Net assets held in trust for pension benefits beginning of year	2,823,268	12,978,937	15,802,205	14,152,562
Net assets held in trust for pension benefits end of year	\$2,881,412	13,054,060	15,935,472	15,802,205

## 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)
<b>Noncontributory Local Government</b>	1/01/03	\$ 1,766,403	1,842,886	76,483	95.8%	\$ 617,784	12.4%
	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
	12/31/11	3,041,863	3,821,812	779,949	79.6	909,123	85.8
<b>Noncontributory State and School</b>	1/01/03	\$ 9,082,183	9,921,467	839,284	91.5%	\$2,308,665	36.4%
	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
	12/31/11	13,819,201	17,694,698	3,875,497	78.1	2,990,983	129.6
<b>Total Noncontributory Retirement System</b>	1/01/03	\$10,848,586	11,764,353	915,767	92.2%	\$2,926,449	31.3%
	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
	12/31/11	16,861,064	21,516,510	4,655,446	78.4	3,900,106	119.4



## Noncontributory Retirement System

### Schedules of Employer Contributions by Division

*(dollars in thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
<b>Noncontributory Local Government</b>	2002	\$ 52,143	100%
	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
<b>Noncontributory State and School</b>	2002	\$239,113	100%
	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
<b>Total Noncontributory Retirement System</b>	2002	\$291,256	100%
	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

## Contributory Retirement System

### Schedules of Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2011

With Comparative Totals for December 31, 2010

(in thousands)

	Local Government	State and School	Total All Divisions	
			2011	2010
<b>Assets:</b>				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	133	168	301	321
Employer contributions	217	346	563	575
Investments	7,670	14,570	22,240	33,427
Total receivables	8,020	15,084	23,104	34,323
Investments at fair value:				
Short term securities, domestic	17,448	33,141	50,589	52,641
Short term securities, international	392	745	1,137	1,279
Debt securities, domestic	55,022	104,512	159,534	179,921
Debt securities, international	15,505	29,450	44,955	44,992
Equity investments, domestic	80,241	152,414	232,655	242,808
Equity investments, international	48,170	91,496	139,666	141,095
Absolute return	57,633	109,471	167,104	160,151
Private equity	39,531	75,088	114,619	93,890
Real assets	50,605	96,122	146,727	154,340
Mortgage loans	120	228	348	349
Total investments	364,667	692,667	1,057,334	1,071,466
Invested securities lending collateral	30,382	57,710	88,092	64,154
Property and equipment at cost, net of accumulated depreciation	20	38	58	44
Total assets	403,090	765,500	1,168,590	1,169,989
<b>Liabilities:</b>				
Securities lending collateral liability	30,382	57,710	88,092	64,154
Disbursements in excess of cash balance	407	773	1,180	610
Compensated absences, post employment benefits and insurance reserve	300	570	870	849
Investment accounts payable	9,205	17,485	26,690	46,821
Real estate liabilities	13,350	25,358	38,708	50,307
Total liabilities	53,644	101,896	155,540	162,741
Net assets held in trust for pension benefits	\$349,446	663,604	1,013,050	1,007,248

## Contributory Retirement System

### Schedules of Changes in Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2011

With Comparative Totals for December 31, 2010

(in thousands)

	Local Government	State and School	Total All Divisions	
			2011	2010
<b>Additions:</b>				
Contributions:				
Member	\$ 3,893	3,407	7,300	10,299
Employer	5,522	5,603	11,125	11,851
Total contributions	9,415	9,010	18,425	22,150
Investment income:				
Net appreciation in fair value of investments	2,234	4,316	6,550	100,187
Interest, dividends and other investment income	7,403	14,304	21,707	23,329
Total income from investment activity	9,637	18,620	28,257	123,516
Less investment expenses	829	1,602	2,431	2,558
Net income from investment activity	8,808	17,018	25,826	120,958
Income from security lending activity	62	121	183	195
Net investment income	8,870	17,139	26,009	121,153
Transfers from affiliated systems	10,839	21,225	32,064	—
Total additions	29,124	47,374	76,498	143,303
<b>Deductions:</b>				
Retirement benefits	15,643	37,290	52,933	50,823
Cost of living benefits	3,450	11,710	15,160	16,389
Supplemental retirement benefits	42	240	282	353
Refunds	726	1,146	1,872	1,632
Administrative expenses	156	293	449	535
Transfers to affiliated systems	—	—	—	3,910
Total deductions	20,017	50,679	70,696	73,642
Increase from operations	9,107	(3,305)	5,802	69,661
Net assets held in trust for pension benefits beginning of year	340,339	666,909	1,007,248	937,587
Net assets held in trust for pension benefits end of year	\$349,446	663,604	1,013,050	1,007,248

## 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)
<b>Contributory Local Government</b>	1/01/03	\$ 254,370	280,435	26,065	90.7%	\$ 57,595	45.3%
	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
	12/31/11	371,022	452,203	81,181	82.0	58,842	138.0
<b>Contributory State and School</b>	1/01/03	\$ 644,920	696,483	51,563	92.6%	\$ 84,730	60.9%
	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
	12/31/11	709,117	826,069	116,952	85.8	51,261	228.2
<b>Total Contributory Retirement System</b>	1/01/03	\$ 899,290	976,918	77,628	92.1%	\$142,325	54.5%
	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
	12/31/11	1,080,139	1,278,272	198,133	84.5	110,103	180.0

## Contributory Retirement System

### Schedules of Employer Contributions by Division

*(dollars in thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
<b>Contributory</b>	2002	\$ 2,441	100%
<b>Local</b>	2003	2,881	100
<b>Government</b>	2004	3,822	100
	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
<b>Contributory</b>	2002	\$ 4,294	100%
<b>State and</b>	2003	4,416	100
<b>School</b>	2004	5,742	100
	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
<b>Total</b>	2002	\$ 6,735	100%
<b>Contributory</b>	2003	7,297	100
<b>Retirement</b>	2004	9,564	100
<b>System</b>	2005	10,357	100
	2006	10,737	100
	2007	11,208	100
	2008	11,037	100
	2009	10,865	100
	2010	11,851	100
	2011	11,125	100

## Public Safety Retirement System

### Schedules of Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2011

With Comparative Totals for December 31, 2010

*(in thousands)*

	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
<b>Assets:</b>			
Cash	\$ 2	4	2
Receivables:			
Member contributions	1	34	—
Employer contributions	1,531	1,442	397
Investments	16,183	19,316	3,954
Total receivables	17,715	20,792	4,351
Investments at fair value:			
Short term securities, domestic	36,811	43,939	8,995
Short term securities, international	828	988	202
Debt securities, domestic	116,085	138,561	28,366
Debt securities, international	32,711	39,044	7,993
Equity investments, domestic	169,291	202,068	41,367
Equity investments, international	101,628	121,305	24,833
Absolute return	121,594	145,136	29,712
Private equity	83,402	99,550	20,380
Real assets	106,766	127,437	26,089
Mortgage loans	253	302	62
Total investments	769,369	918,330	187,999
Invested securities lending collateral	64,100	76,511	15,663
Property and equipment at cost, net of accumulated depreciation	42	50	10
Total assets	851,228	1,015,687	208,025
<b>Liabilities:</b>			
Securities lending liability	64,100	76,511	15,663
Disbursements in excess of cash balance	859	1,025	210
Compensated absences, post employment benefits and insurance reserve	633	755	155
Investment accounts payable	19,421	23,181	4,746
Real estate liabilities	28,166	33,620	6,883
Total liabilities	113,179	135,092	27,657
Net assets held in trust for pension benefits	\$738,049	880,595	180,368

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2011	2010
2	2	2	2	4	20	20
—	—	2	—	—	37	29
82	—	30	20	528	4,030	3,422
951	694	407	321	4,308	46,134	68,245
1,033	694	439	341	4,836	50,201	71,696
2,164	1,579	926	730	9,799	104,943	107,471
49	36	21	16	220	2,360	2,610
6,824	4,978	2,921	2,301	30,900	330,936	367,321
1,923	1,403	823	648	8,707	93,252	91,854
9,952	7,260	4,260	3,356	45,063	482,617	495,713
5,974	4,358	2,557	2,015	27,052	289,722	288,058
7,148	5,214	3,059	2,411	32,367	346,641	326,962
4,903	3,577	2,099	1,653	22,201	237,765	191,686
6,276	4,579	2,686	2,117	28,420	304,370	315,095
15	11	6	5	67	721	713
45,228	32,995	19,358	15,252	204,796	2,193,327	2,187,483
3,768	2,749	1,613	1,271	17,063	182,738	130,975
2	2	1	1	11	119	90
50,033	36,442	21,413	16,867	226,710	2,426,405	2,390,264
3,768	2,749	1,613	1,271	17,063	182,738	130,975
50	37	22	17	229	2,449	1,246
37	27	16	13	168	1,804	1,731
1,142	833	489	385	5,170	55,367	95,589
1,656	1,208	709	558	7,496	80,296	102,704
6,653	4,854	2,849	2,244	30,126	322,654	332,245
43,380	31,588	18,564	14,623	196,584	2,103,751	2,058,019

## Public Safety Retirement System

### Schedules of Changes in Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2011

With Comparative Totals for December 31, 2010

*(in thousands)*

	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
<b>Additions:</b>			
Contributions:			
Member	\$ 61	710	20
Employer	37,968	43,386	10,453
Total contributions	38,029	44,096	10,473
Investment income:			
Net appreciation in fair value of investments	4,665	5,557	1,143
Interest, dividends and other investment income	15,461	18,417	3,789
Total income from investment activity	20,126	23,974	4,932
Less investment expenses	1,732	2,063	424
Net income from investment activity	18,394	21,911	4,508
Income from security lending activity	130	155	32
Net investment income	18,524	22,066	4,540
Transfers from affiliated systems	1,447	(1,628)	1,049
Total additions	58,000	64,534	16,062
<b>Deductions:</b>			
Retirement benefits	37,742	36,408	11,059
Cost of living benefits	8,060	6,968	3,033
Supplemental retirement benefits	223	109	52
Refunds	1	535	—
Administrative expenses	362	411	99
Total deductions	46,388	44,431	14,243
Increase (decrease) from operations	11,612	20,103	1,819
Net assets held in trust for pension benefits beginning of year	726,437	860,492	178,549
Net assets held in trust for pension benefits end of year	\$738,049	880,595	180,368



Utah Retirement Systems

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2011	2010
—	—	57	—	222	1,070	1,713
2,079	1,663	800	511	13,969	110,829	103,586
2,079	1,663	857	511	14,191	111,899	105,299
277	200	118	94	1,206	13,260	199,465
919	664	390	311	3,996	43,947	46,445
1,196	864	508	405	5,202	57,207	245,910
103	74	44	35	448	4,923	5,094
1,093	790	464	370	4,754	52,284	240,816
8	6	3	3	34	371	387
1,101	796	467	373	4,788	52,655	241,203
459	56	29	31	1,860	3,303	4,248
3,639	2,515	1,353	915	20,839	167,857	350,750
2,959	1,765	939	1,135	7,678	99,685	96,330
715	418	191	147	950	20,482	19,068
10	7	1	1	—	403	433
—	—	—	—	—	536	512
23	16	9	7	92	1,019	1,146
3,707	2,206	1,140	1,290	8,720	122,125	117,489
(68)	309	213	(375)	12,119	45,732	233,261
43,448	31,279	18,351	14,998	184,465	2,058,019	1,824,758
43,380	31,588	18,564	14,623	196,584	2,103,751	2,058,019

## 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)
<b>Public Safety State of Utah</b>	1/01/03	\$491,499	536,944	45,445	91.5%	\$ 90,782	50.1%
	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
	12/31/11	780,239	1,072,039	291,800	72.8	116,871	249.7
	<b>Public Safety Other Division A (with Social Security)</b>	1/01/03	\$553,911	558,141	4,230	99.2%	\$118,507
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
12/31/11		929,828	1,219,968	290,140	76.2	164,129	176.8
<b>Public Safety Salt Lake City</b>		1/01/03	\$129,690	168,084	38,394	77.2%	\$ 19,305
	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
	12/31/11	190,934	293,342	102,408	65.1	28,730	356.4
	<b>Public Safety Ogden</b>	1/01/03	\$ 38,568	42,649	4,081	90.4%	\$ 5,059
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
12/31/11		46,088	73,920	27,832	62.3	5,877	473.6
<b>Public Safety Provo</b>		1/01/03	\$ 22,875	26,434	3,559	86.5%	\$ 4,512
	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
	12/31/11	33,448	54,430	20,982	61.5	5,056	415.0

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

*(dollars in thousands)*

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
<b>Public Safety Logan</b>	1/01/03	\$ 13,099	13,685	586	95.7%	\$ 2,312	25.3%
	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
	12/31/11	19,651	27,668	8,017	71.0	2,699	297.0
<b>Public Safety Bountiful</b>	1/01/03	\$ 10,958	11,170	212	98.1%	\$ 1,601	13.2%
	1/01/04	11,809	11,640	(169)	101.5	1,653	(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
	12/31/11	15,540	23,373	7,833	66.5	1,798	435.7
<b>Public Safety Other Division B (without Social Security)</b>	1/01/03	\$ 88,835	101,384	12,549	87.6%	\$ 26,400	47.5%
	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
	12/31/11	206,474	279,967	73,493	73.7	49,133	149.6
<b>Total Public Safety Retirement System</b>	1/01/03	\$1,349,435	1,458,491	109,056	92.5%	\$268,478	40.6%
	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
	12/31/11	2,222,202	3,044,707	822,505	73.0	374,293	219.7

## Public Safety Retirement System

## Schedules of Employer Contributions by Division

*(dollars in thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
<b>Public Safety</b>	2002	\$16,476	100%
<b>State of Utah</b>	2003	17,406	100
	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
<b>Public Safety</b>	2002	\$14,639	100%
<b>Other Division A</b>	2003	16,980	100
(with Social Security)	2004	21,426	100
	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
<b>Public Safety</b>	2002	\$ 5,633	100%
<b>Salt Lake City</b>	2003	6,182	100
	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
<b>Public Safety</b>	2002	\$ 976	100%
<b>Ogden</b>	2003	986	100
	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
<b>Public Safety</b>	2002	\$ 433	100%
<b>Provo</b>	2003	455	100
	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

Public Safety Retirement System  
Schedules of Employer Contributions by Division *(Continued)*

*(dollars in thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
<b>Public Safety Logan</b>	2002	\$ 78	100%
	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
	<b>Public Safety Bountiful</b>	2002	\$ 291
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
<b>Public Safety Other Division B</b> (without Social Security)		2002	\$ 3,738
	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
	<b>Total Public Safety Retirement System</b>	2002	\$ 42,264
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

## Firefighters Retirement System

### Schedules of Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2011

With Comparative Totals for December 31, 2010

(in thousands)

	Division A (with Social Security)	Division B (without Social Security)	Total All Divisions	
			2011	2010
<b>Assets:</b>				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	146	490	636	632
Fire insurance tax	802	2,282	3,084	12
Investments	2,479	14,260	16,739	25,098
Total receivables	3,427	17,032	20,459	25,742
Investments at fair value:				
Short term securities, domestic	5,638	32,437	38,075	39,526
Short term securities, international	127	730	857	960
Debt securities, domestic	17,779	102,292	120,071	135,092
Debt securities, international	5,010	28,824	33,834	33,782
Equity investments, domestic	25,928	149,175	175,103	182,310
Equity investments, international	15,565	89,552	105,117	105,941
Absolute return	18,623	107,145	125,768	120,250
Private equity	12,774	73,492	86,266	70,497
Real assets	16,352	94,080	110,432	115,885
Mortgage loans	39	223	262	262
Total investments	117,835	677,950	795,785	804,505
Invested securities lending collateral	9,817	56,484	66,301	48,170
Property and equipment at cost, net of accumulated depreciation	6	37	43	33
Total assets	131,086	751,504	882,590	878,452
<b>Liabilities:</b>				
Securities lending collateral liability	9,817	56,484	66,301	48,170
Disbursements in excess of cash balance	132	757	889	458
Compensated absences, post employment benefits and insurance reserve	97	558	655	637
Investment accounts payable	2,974	17,114	20,088	35,155
Real estate liabilities	4,314	24,819	29,133	37,772
Total liabilities	17,334	99,732	117,066	122,192
Net assets held in trust for pension benefits	\$113,752	651,772	765,524	756,260

## Firefighters Retirement System

### Schedules of Changes in Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2011

With Comparative Totals for December 31, 2010

	<i>(in thousands)</i>			
	Division A (with Social Security)	Division B (without Social Security)	Total All Divisions	
			2011	2010
<b>Additions:</b>				
Contributions:				
Member	\$ 4,190	13,138	17,328	14,112
Employer	314	2	316	238
Fire insurance tax	3,286	9,403	12,689	10,677
Total contributions	7,790	22,543	30,333	25,027
Investment income:				
Net appreciation in fair value of investments	694	4,146	4,840	73,700
Interest, dividends and other investment income	2,301	13,739	16,040	17,161
Total income from investment activity	2,995	17,885	20,880	90,861
Less investment expenses	258	1,539	1,797	1,882
Net income from investment activity	2,737	16,346	19,083	88,979
Income from security lending activity	19	116	135	143
Net investment income	2,756	16,462	19,218	89,122
Transfers from affiliated systems	435	1,264	1,699	1,784
Total additions	10,981	40,269	51,250	115,933
<b>Deductions:</b>				
Retirement benefits	3,445	29,271	32,716	32,487
Cost of living benefits	581	7,732	8,313	8,242
Supplemental retirement benefits	16	361	377	401
Refunds	84	184	268	401
Administrative expenses	45	267	312	361
Total deductions	4,171	37,815	41,986	41,892
Increase from operations	6,810	2,454	9,264	74,041
Net assets held in trust for pension benefits beginning of year	106,942	649,318	756,260	682,219
Net assets held in trust for pension benefits end of year	\$113,752	651,772	765,524	756,260

## 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)
<b>Firefighters</b>	1/01/03	\$ 55,202	51,170	(4,032)	107.9%	\$ 13,423	(30.0)
<b>Division A</b>	1/01/04	60,889	56,399	(4,490)	108.0	14,524	(30.9)
(with Social Security)	1/01/05	65,260	62,802	(2,458)	103.9	15,490	(15.9)
	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
	12/31/11	119,761	138,711	18,950	86.3	28,409	66.7
<b>Firefighters</b>	1/01/03	\$498,387	469,994	(28,393)	106.0%	\$ 57,931	(49.0)
<b>Division B</b>	1/01/04	528,613	492,979	(35,634)	107.2	61,095	(58.3)
(without Social Security)	1/01/05	545,428	516,089	(29,339)	105.7	64,148	(45.7)
	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
	12/31/11	691,003	787,923	96,920	87.7	82,342	117.7
<b>Total</b>	1/01/03	\$553,589	521,164	(32,425)	106.2%	\$ 71,354	(45.4)
<b>Firefighters</b>	1/01/04	589,502	549,378	(40,124)	107.3	75,619	(53.1)
<b>Retirement</b>	1/01/05	610,688	578,891	(31,797)	105.5	79,638	(39.9)
<b>System</b>	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
	12/31/11	810,764	926,634	115,870	87.5	110,751	104.6



## Firefighters Retirement System

### Schedules of Employer Contributions by Division

*(dollars in thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
<b>Firefighters</b>	2002	\$ 1,791	100%
<b>Division A</b>	2003	1,748	100
(with Social Security)	2004	1,687	100
	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
<b>Firefighters</b>	2002	\$ 7,663	100%
<b>Division B</b>	2003	7,311	100
(without Social Security)	2004	6,972	100
	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
<b>Total</b>	2002	\$ 9,454	100%
<b>Firefighters</b>	2003	9,059	100
<b>Retirement</b>	2004	8,659	100
<b>System</b>	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

## Utah Retirement Systems Schedules of Administrative and Investment Expenses

Year Ended  
December 31, 2011

	<i>(in thousands)</i>	<b>Total</b>
Personal services:		
Salaries and wages	\$ 9,388	
Employee benefits	4,322	
Total personal services		13,710
Professional services:		
Audit	212	
Actuarial services	280	
General counsel	946	
Banking services	70	
Security handling expense	1,190	
Investment advisor fees	43,606	
Other consulting services	1,696	
Total professional services		48,000
Communications:		
Telephone	189	
Postage	852	
Other	5	
Total communications		1,046
Rentals:		
Office space	943	
Office equipment rental	249	
Total rentals		1,192
Miscellaneous:		
Data processing	643	
Professional development	351	
Contractual services	468	
Supplies and maintenance	205	
Insurance and bonding premiums	496	
Subscription expense	15	
Office supplies	103	
Other	77	
Depreciation expense	267	
Total miscellaneous		2,625
Total administrative and investment expenses		\$66,573
Allocation of administrative expenses:		
Noncontributory Retirement System	\$ 7,304	
Contributory Retirement System	449	
Public Safety Retirement System	1,019	
Firefighters Retirement System	312	
Judges Retirement System	60	
Utah Governors and Legislators Retirement Plan	4	
Tier 2 Public Employees Retirement System	—	
Tier 2 Public Safety and Firefighters Retirement System	—	
401(k) Plan	6,465	
457 Plan	726	
Roth IRA Plan	52	
Traditional IRA Plan	60	
Health Reimbursement Arrangement (HRA)	17	
Total administrative expenses		16,468
Investment administrative expense	6,499	
Investment advisor fees:		
Investment Fund	40,467	
401(k) Plan	2,789	
457 Plan	300	
Roth IRA Plan	22	
Traditional IRA Plan	28	
Health Reimbursement Arrangement (HRA)	—	
Total investment expenses		50,105
Total administrative and investment expense allocations		\$66,573

Utah Retirement Systems

# Investment

Section



## 2011 *Comprehensive Annual Financial Report*

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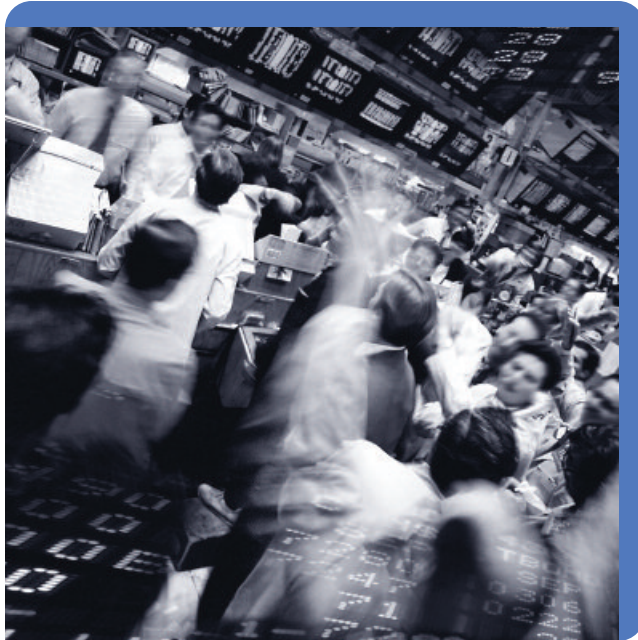
Utah Retirement Systems

# 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 TOLL FREE  
801-366-7734 FAX

ROBERT V. NEWMAN  
EXECUTIVE DIRECTOR



April 18, 2012

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

Dear Members of the  
Utah Retirement Systems:

I will begin with a quote from our consultant, Callan Associates, regarding this past year. “2011 was a year of significant global events. Political upheaval in the Middle East; a terrible earthquake and tsunami in Japan; a debt crisis that threatens the world’s largest economic union; U.S. political gridlock that seems to drown out most reasonable voices; and S&P downgrades on the sovereign debt of nine developed countries and warnings of five others. Additionally, the blowup of investment bank MF Global, blamed on 40-1 leverage utilizing client capital invested in European sovereign debt, resulted in the seventh largest bankruptcy in U.S. history.”

Although we all want good news, some of these aforementioned events will linger and have a drag on the global economy. Perhaps we are still not out of the woods. However, the U.S. economy, as measured by gross domestic product, did grow by 3.9% last year. U.S. inflation, as measured by the consumer price index, increased 3%. Thus, the United States seems to have turned the corner and a second recession is seemingly not in the foreseeable future.

Certainly Europe seems to have dominated the economic news, and fears of a global contagion seem to be fading at present. There is still speculation as to the real strength of European banks given the political backdrop of Basal III regulation. Although U.S. unemployment is

## Defined Benefit Investments *(Continued)*

moving in the right direction, dropping below 9%, the job market is still challenged. Although November housing starts exceeded forecasts and homebuilder optimism has increased, housing is still weak. Credit creation is improving, but still far below what is necessary to sustain a solid growth trend in the economy. Although there are some bright spots, we will probably still see volatility in the markets due to the unsettled nature of global macroeconomic and geopolitical events.

Domestic equity markets turned in a third year of positive performance with the S&P 500 returning 2.11% versus last year's number of 15.06%. The international market, as measured by the Europe Australia Asia Far East index ("EAFE"), turned negative with a return of (12.14%) versus 7.75% for the previous year. Emerging Markets, as measured by the Morgan Stanley Capital International ("MSCI") Emerging Markets Free-Unhedged Index, was down even more with a negative (18.17%) versus 19.2% for the previous year. As you might recall, the emerging markets index returned an impressive 79% two years ago. Global bonds as measured by the Barclays Global Aggregate returned 5.64% for the year, whereas the domestic bond market, as measured by the Barclays Aggregate, did even better at 7.84%. Over the last two years, many pundits did not expect bonds to

continue to rally given the already-low level of interest rates, even though they have done exactly that. The risk of negative returns in the bond markets going forward becomes greater as rates approach their nadir.

Private real estate continued its recovery with another positive year of 14.26% versus the previous year's return of 13.11% 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 8.28% versus last year's return of 27.95%.

As stated in last year's letter, 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 participants' benefits.

The year 2011 saw global equity markets return a negative (6.86%) as measured by the MSCI All Country World Index ("ACWI"). Yet Utah Retirements Systems returned a positive 2.89% for the year. This return was in the 17th percentile of its peer group (number 1 being the best and number 100 being the worst). In 2008, during what was called "the great recession," the Systems was in the 11th percentile of its peer group. Thus the Systems' strategy of performing better in negative equity markets has worked. The Systems' one-year return of 2.89% was less than last year's return of 13.25%, when the global equity markets were a positive 12.67%. The three-year return was 9.63%, compared to 0.14% a year ago. The five-year return of 1.91% was lower than the 4.16% reported for the previous year and the 10-year return of 6.21% increased as compared to last year's 5.35% number.

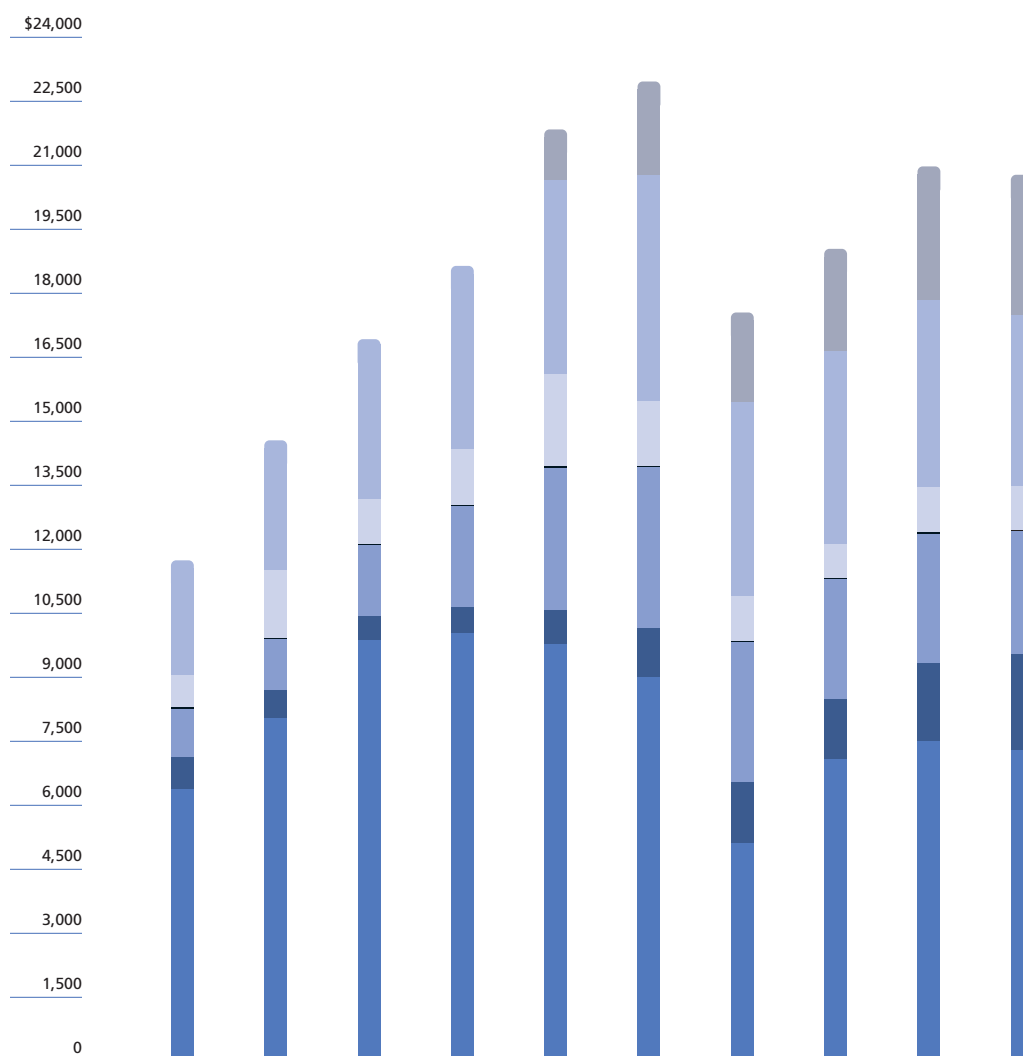
We continue to recover. We are a long-term investor because our liabilities are also long-term. Thus patience is key to our investment philosophy for both risk and return. Our asset allocation is diversified and solid and should meet our obligations in the long run. Utah Retirement Systems continues to rank as a top quartile public pension fund in the United States.



Bruce H. Cundick  
Chief Investment Officer

# All Retirement Systems 10-Year Investment Comparison

(in millions)



(in millions)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Absolute return	\$ —	—	—	—	1,198	2,196	2,097	2,411	3,138	3,287
Debt securities	2,698	3,062	3,754	4,301	4,558	5,315	4,578	4,521	4,406	4,022
Short term securities	763	1,582	1,055	1,324	2,163	1,515	1,041	804	1,056	1,017
Mortgages	4	7	7	7	7	7	7	7	7	7
Real assets	1,124	1,188	1,673	2,353	3,330	3,772	3,280	2,799	3,024	2,886
Private equity	762	654	553	612	803	1,150	1,442	1,411	1,840	2,254
Equities	6,394	8,070	9,896	10,061	9,804	9,029	5,120	7,104	7,521	7,323
<b>Totals</b>	<b>\$11,745</b>	<b>14,563</b>	<b>16,938</b>	<b>18,658</b>	<b>21,863</b>	<b>22,984</b>	<b>17,565</b>	<b>19,057</b>	<b>20,992</b>	<b>20,796</b>

## Defined Benefit Investments *(Continued)*

### 2011 Investment Summary

*(dollars in thousands)*

	2011 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2011 Ending Fair Value	Percent of Total Fair Value
Short term securities, domestic	\$ 1,031,311	39,623,937	39,657,831	(2,392)	995,025	4.78%
Short-term securities international	25,054	6,599,914	6,608,922	6,334	22,380	0.11
Debt securities domestic	3,524,901	14,433,992	14,847,939	26,868	3,137,822	15.09
Debt securities international	881,454	1,326,401	1,335,290	11,628	884,193	4.25
Equities domestic	4,756,953	2,292,784	2,142,760	(330,981)	4,575,996	22.00
Equity international	2,764,267	1,035,736	586,342	(466,616)	2,747,045	13.21
Absolute return	3,137,599	2,400,819	2,123,752	(127,952)	3,286,714	15.80
Private equity	1,839,452	573,625	288,402	129,721	2,254,396	10.84
Real assets	3,023,729	351,302	686,598	197,493	2,885,926	13.89
Mortgage loans	6,845	—	—	—	6,845	0.03
<b>Totals</b>	<b>\$20,991,565</b>	<b>68,638,510</b>	<b>68,277,836</b>	<b>(555,897)</b>	<b>20,796,342</b>	<b>100.00%</b>

### 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 shall 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 which they would exercise in the conduct of their own affairs. To this end a Statement of Investment Policy and Performance

Objectives has been created for the Fund and adopted by the Board. The purpose of this Statement is to:

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

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

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.

## Defined Benefit Investments *(Continued)*

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 manage segments of the portfolio.

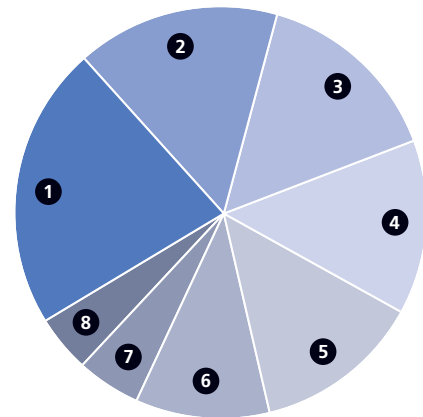
All managers must acknowledge a co-fiduciary status to the Fund. All managers are expected to communicate with the staff at least quarterly.

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, 2011



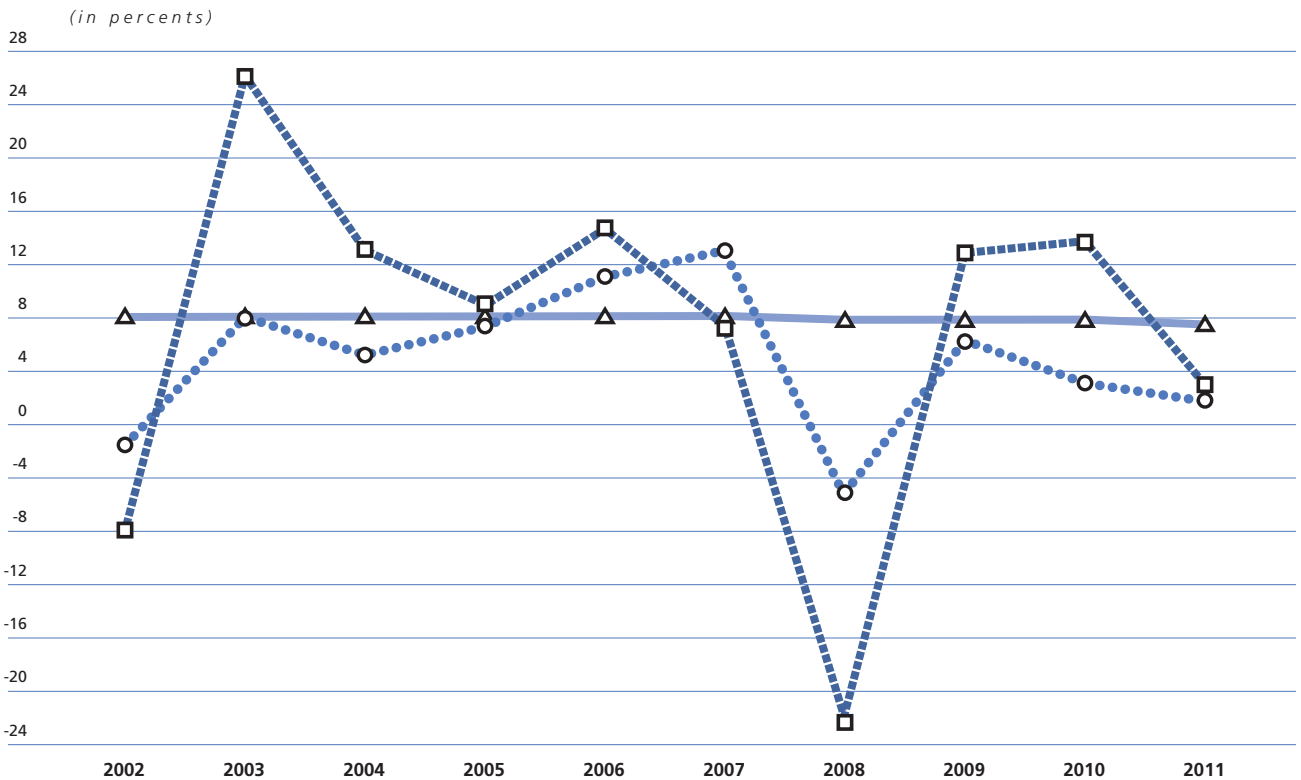
- 1 Equities, Domestic (22.0%)
- 2 Absolute Return (15.8%)
- 3 Debt Securities, Domestic (15.1%)
- 4 Real Assets (13.9%)
- 5 Equities, International (13.2%)
- 6 Private Equity (10.8%)
- 7 Short Term Securities (4.9%)
- 8 Debt Securities, International (4.3%)

December 31,	2006	2007	2008	2009	2010	2011
Equities, domestic	29.3%	26.0	18.5	23.5	22.6	22.0
Equities, international	15.5	13.1	10.7	13.8	13.2	13.2
Debt securities, domestic	16.6	20.8	22.5	19.6	16.8	15.1
Debt securities, international	4.3	2.5	3.6	4.1	4.2	4.3
Private equity	3.7	5.0	8.2	7.4	8.8	10.8
Real assets	15.2	16.4	18.7	14.7	14.4	13.9
Short term securities	9.9	6.6	5.9	4.2	5.0	4.9
Absolute return	5.5	9.6	11.9	12.7	15.0	15.8
<b>Total portfolio</b>	<b>100.0%</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>



**Defined Benefit Investments** *(Continued)*

**Ten-Year Total Pension Investment Rates of Return**



(dollars in millions)

	(1) Smooth Expected Rate of Return	(2) Fair Value Rate of Return	(3) Actuarial Assumed Interest Rate
2002	(1.54)%	(7.54)%	8.00%
2003	8.01	26.00	8.00
2004	5.32	13.24	8.00
2005	7.36	8.96	8.00
2006	11.10	14.77	8.00
2007	13.04	7.15	8.00
2008	(5.03)	(22.30)	7.75
2009	6.11	12.88	7.75
2010	2.87	13.73	7.75
2011	1.34	2.89	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 five-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 2011, 2.71% 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<sup>(1)(2)(3)</sup>

Year Ended December 31, 2011

Investment Option Comparative Index	1 Year	3 Year	5 Year	10 Year
<b>Domestic Equity</b> .....	(0.68)%	16.17%	(0.42)%	4.31%
Russell 3000 Index.....	1.03	14.88	(0.01)	3.51
<b>International Equity</b> .....	(12.01)	11.67	(1.77)	7.62
MSCI ACWI ex-US IMI Index.....	(14.31)	9.86	(3.75)	6.04
<b>Domestic Debt Securities</b> .....	8.17	9.76	7.26	5.89
Barclays Capital Aggregate Index.....	7.84	6.77	6.50	5.78
<b>International Debt Securities</b> .....	7.62	7.63	5.87	7.94
Intl / Global Aggregate Index.....	5.64	6.04	6.46	7.57
<b>Real Assets</b> .....	14.15	(2.27)	(2.41)	6.19
NCREIF Real Estate Index.....	14.26	6.06	3.64	8.85
<b>Private Equity</b> .....	15.20	5.53	9.40	10.84
Private Equity Benchmark.....	4.36	18.21	3.30	10.51
<i>Benchmark consisting of:</i>				
89% Russell 3000 Index + 3.5%				
11% Russell 3000 Index + 2.0%				
<b>Absolute Return</b> .....	1.05	9.70	1.82	NA*
Treasury Bills + 5%.....	5.10	5.15	6.48	NA*
<b>Short Term</b> .....	0.12	0.30	1.77	2.28
3 Month Treasury Bills.....	0.10	0.15	1.48	1.95
<b>Total Fund</b> .....	2.89	9.63	1.91	6.21
Fund Benchmark.....	3.17	10.53	2.93	6.58
<i>Benchmark consisting of:</i>				
23.0% Russell 3000 Index				
18.0% 3 Month Treasury Bill + 5%				
14.0% MSCI ACWI ex-US IMI Index				
13.5% Barclays Capital Aggregate Index				
13.0% NCREIF Total Index				
8.0% Russell 3000 Index + 3.5%				
4.0% Barclays Capital Global Aggregate Index				
3.0% MSCI World Index				
2.5% Barclays Global Inf-Link Hedged				
1.0% Russell 3000 Index + 2%				
CAI Public Fund — Large Database Medium.....	2.42	9.64	2.18	6.05
<b>Inflation</b> .....	3.21	2.75	2.41	2.54

(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.

**Defined Benefit Investments** (Continued)**List of Largest Assets Held**

December 31, 2011

**▶▶▶ Largest Equity Holdings**

(By Fair Value)

Description	Shares	Fair Value
Apple Inc.	209,425	\$84,817,125
Exxon Mobil Corp.	805,815	68,300,879
Chevron Corp.	393,127	41,828,713
Google Inc.	63,791	41,202,607
Schlumberger Ltd.	561,706	38,370,137
Nestle	645,947	37,302,040
International Business Machines Corp	194,868	35,832,328
Microsoft Corp.	1,279,866	33,225,321
MasterCard Inc.	88,258	32,904,348
Pfizer	1,479,400	32,014,216

**▶▶▶ Largest Debt Securities Holdings**

(By Fair Value)

Description	Par Value	Fair Value
US Treasury Notes 3.75% Due 11/15/2014 Reg	\$118,410,000	118,484,006
FNMA Single Family Mortgage 4.5% 30 Years Settles January 2014	67,000,000	\$71,292,221
US Treasury Notes 2.25% Tips DTD 00340 Due 04/15/2016	52,553,100	56,206,676
US Treasury Security Strip Interest Pmt 2/15/2015 Reg	49,900,000	49,120,063
US Treasury Notes 2.00% Due 11/15/2021	44,790,000	45,300,875
US Treasury Bonds DTD 02/15/1997 6.625% Due 02/15/2027 Reg	27,850,000	42,854,188
UK(Govt of) 1.25% I/L Stk 22/11/2017 GBP*	26,882,000	59,207,394
FNMA 30 Year Pass-Throughs 6% 30 Years Settles February 2033	31,200,000	34,281,000
US Treasury Bonds 2.125% 2/15/2041	24,223,700	33,833,761
US Treasury Notes Inflation Linked 2.00% Due 04/15/2012 Reg	28,841,300	32,326,550

\*Note: Converted British pounds to US dollars.

Per Yahoo Finance the conversion rate as of 12/30/2011 was 1.5547.

Utah Retirement Systems uses a commission recapture program as part of its trading strategies. During the year ending December 31, 2011, Utah Retirement Systems recaptured approximately \$343,000 from the gross commission charges. This sum was used to fund almost \$422,000 in investment expenses that otherwise would have been paid for with investment funds.

**Schedules of Fees and Commissions**

Year Ended December 31, 2011

**▶▶▶ Broker Commission Fees**

Broker	Total Commission Fees
Instinet	\$ 377,146
Frank Russell Sec/Broadcort	236,590
ADP Clearing & Outsourcing Inc.	188,930
Weeden & Company	188,227
Deutsche Bank Securities Inc.	175,114
Jefferies & Company	165,449
Merrill Lynch	137,090
Goldman Sachs & Company	136,274
Barclay's Capital	117,965
UBS AG, (London Equities)	106,323
Citigroup Global Markets	104,501
J.P. Morgan Securities	101,655
Credit Suisse First Boston Corporation	96,733
Liquidnet	83,160
Nomura Securities	78,182
Morgan Stanley	77,053
Citation Group Inc.	65,262
Bear Stearns & Company	59,423
HSBC	57,404
Bank of New York ESI Securities Co.	54,088
Sanford C. Bernstein & Co.	47,795
Sanford Bernstein	46,215
RBC Capital	43,729
Daiwa Securities Group	38,492
Societe Generale	37,830
All others	946,686
<b>Total</b>	<b>\$3,767,316</b>

**▶▶▶ Schedule of Investment Fees and Commissions**

Investment advisor fees:	
Equity securities, domestic	\$ 10,812,616
Equity securities, international	13,038,515
Debt securities, domestic	3,076,211
Debt securities, international	2,123,263
Private equity	9,074,569
Absolute return	2,341,557
<b>Total investment advisor fees</b>	<b>40,466,731</b>
Investment brokerage fees	3,767,315
<b>Total fees and commissions</b>	<b>\$44,234,046</b>

**Defined Benefit Investments** *(Continued)***Investment Professionals**

Abbott Capital  
Management, LLC  
1211 Avenue of the Americas  
Suite 4300  
New York, NY 10036

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 Guardian Trust Co.  
135 South State College Blvd.  
Brea, CA 92821

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

Cornerstone Real Estate  
Advisors LLC  
1 Financial Plaza  
Suite 1700  
Hartford, CT 06103-2604

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

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

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

European Investors, Inc.  
717 Fifth Avenue  
New York, NY 10022

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

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

Grantham, Mayo,  
VanOtterloo & Co., LLC  
40 Rowes Wharf  
Boston, MA 02110

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

Jennison Associates, LLC  
466 Lexington Avenue  
New York, NY 10017

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

Lazard Freres & Co., LLC  
30 Rockefeller Plaza  
New York, NY 10020

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

Lord Abbett  
90 Hudson Street  
Jersey City, NJ 07302

Marathon Asset Management  
Orion House  
5 Upper St. Martin's Lane  
London WC2H 9EA  
United Kingdom

Mazama Capital  
One SW Columbia Street  
Suite 1500  
Portland, OR 97258

Mondrian Investment  
Partners Limited  
10 Gresham Street  
Fifth Floor  
London EC2V 7JD  
United Kingdom

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

OPUS  
10350 Bren Road West  
Minnetonka, MN 55343

Pathway Capital  
Management, LLC  
2211 Michelson Drive  
Irvine, CA 92612

Portfolio Advisors  
9 Old Kings Highway  
South Darien, CT 06820

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

Rexiter  
80 Cannon St.  
London EC4N 6HL  
United Kingdom

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

Waddell & Reed Asset  
Management Group  
6300 Lamar Avenue  
Shawnee Mission, KS 66201

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 IRA Plans 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 eleven 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 investments in the various investment options. The asset graph to the left of the table shows the asset distribution at December 31, 2011.

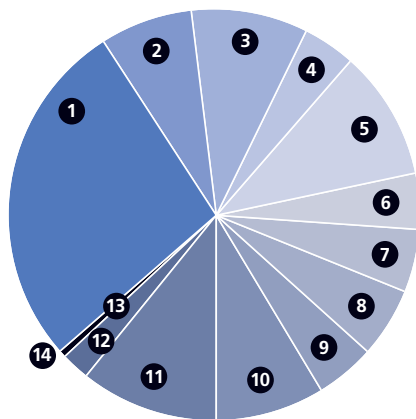
### Investment and Administrative Expenses

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.

## Defined Contribution Plans Investment Plans *(Continued)*



- 1 Income Fund (27.5%)
- 2 Bond Fund (7.2%)
- 3 Balanced Fund (9.1%)
- 4 Large Cap Stock Value Fund (4.1%)
- 5 Large Cap Stock Index Fund (10.4%)
- 6 Large Cap Stock Growth Fund (4.4%)
- 7 International Fund (4.9%)
- 8 Small Cap Stock Fund (5.6%)
- 9 Short Horizon Fund (4.9%)
- 10 Medium Horizon Fund (8.4%)
- 11 Long Horizon Fund (11.0%)
- 12 Brokerage Window (2.3%)
- 13 HRA Fund (0.3%)
- 14 Tier 2 Nonvested (0.0%)\*

\*Rounded figure, actual percentage is 0.02%

### Defined Contribution Plans Investments

December 31, 2011

(in thousands)

Investment Options	Total
Income Fund	\$ 877,509
Bond Fund	230,691
Balanced Fund	290,382
Large Cap Stock Value Fund	129,534
Large Cap Stock Index Fund	329,710
Large Cap Stock Growth Fund	141,522
International Fund	155,269
Small Cap Stock Fund	177,313
Short Horizon Fund	154,979
Medium Horizon Fund	266,401
Long Horizon Fund	350,292
Brokerage Window	72,820
HRA Fund	8,328
Tier 2 Nonvested	722
<b>Totals</b>	<b>\$3,185,472</b>

An annual account maintenance fee of \$15 is assessed to inactive accounts with combined 401(k), 457, Roth and Traditional IRA Plan 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.

### 2011 Investment Summary and Investment and Administrative Fees

(dollars in thousands)

Fund	2011 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2011 Ending Fair Value	Percent of Total Fair Value	Investment Fees	Administrative Fees	Total Fees
Income Fund	\$ 844,225	93,921	66,266	5,629	877,509	27.54%	0.10%	0.23%	0.33%
Bond Fund	206,655	57,179	36,510	3,367	230,691	7.24	0.12	0.23	0.35
Balanced Fund	304,577	12,082	24,520	(1,757)	290,382	9.12	0.25	0.23	0.48
Large Cap Stock Value Fund	143,860	17,515	22,935	(8,906)	129,534	4.07	0.42	0.23	0.65
Large Cap Stock Index Fund	344,391	12,292	22,734	(4,239)	329,710	10.35	0.03	0.23	0.26
Large Cap Stock Growth Fund	139,062	16,785	13,955	(370)	141,522	4.44	0.29	0.23	0.52
International Fund	196,146	7,466	19,434	(28,909)	155,269	4.87	0.28	0.23	0.51
Small Cap Stock Fund	194,676	29,896	31,302	(15,957)	177,313	5.57	0.41	0.23	0.64
Short Horizon Fund	139,725	32,333	17,090	11	154,979	4.87	0.15	0.23	0.38
Medium Horizon Fund	250,289	40,968	17,894	(6,962)	266,401	8.36	0.19	0.23	0.42
Long Horizon Fund	354,175	32,133	15,237	(20,779)	350,292	11.00	0.21	0.23	0.44
Brokerage Window	60,164	25,542	5,843	(7,043)	72,820	2.29	NA	0.23	0.23
Tier 2 Nonvested	—	717	—	5	722	0.02	0.19	0.23	0.42
HRA Fund	5,389	4,366	1,427	—	8,328	0.26	0.37	0.23	0.60
<b>Totals</b>	<b>\$3,183,334</b>	<b>383,195</b>	<b>295,147</b>	<b>(85,910)</b>	<b>3,185,472</b>	<b>100.00%</b>			

## Defined Contribution Plans Investment Plans (Continued)

## Defined Contribution Plans Comparative Annualized Rates of Return

Year Ended December 31, 2011

Investment Option Comparative Index	Annualized			
	1 Year	3 Year	5 Year	10 Year
<b>Income Fund</b> .....	<b>1.86%</b>	<b>2.13%</b>	<b>3.21%</b>	<b>3.78%</b>
Treasury Bills Index.....	0.10	0.15	1.48	1.95
<b>Bond Fund</b> .....	<b>5.09</b>	<b>9.50</b>	<b>6.65</b>	<b>5.97</b>
Barclays Capital Aggregate Bond Index .....	7.84	6.77	6.50	5.78
<b>Balanced Fund</b> .....	<b>1.11</b>	<b>12.63</b>	<b>2.77</b>	<b>4.79</b>
Balanced Index (1) .....	4.98	11.74	3.03	4.55
<b>Large Cap Stock Value Fund</b> .....	<b>(4.22)</b>	<b>12.49</b>	<b>(4.22)</b>	<b>3.87</b>
Russell 1000 Value Index .....	0.39	11.55	(2.64)	3.89
<b>Large Cap Stock Index Fund</b> .....	<b>0.99</b>	<b>13.53</b>	<b>(0.61)</b>	<b>2.61</b>
Large Cap Stock Index .....	1.17	13.76	(0.43)	2.82
<b>Large Cap Stock Growth Fund</b> .....	<b>1.72</b>	<b>15.63</b>	<b>2.83</b>	<b>2.06</b>
Russell 1000 Growth Index .....	2.64	18.02	2.50	2.60
<b>International Fund</b> .....	<b>(14.09)</b>	<b>6.69</b>	<b>(4.83)</b>	<b>3.98</b>
International Index.....	(14.18)	6.81	(5.17)	4.42
<b>Small Cap Stock Fund</b> .....	<b>(3.39)</b>	<b>19.67</b>	<b>1.11</b>	<b>6.47</b>
Russell 2000 Index.....	(4.18)	15.63	0.15	5.62
<b>Short Horizon Fund</b> .....	<b>1.40</b>	<b>9.62</b>	<b>4.20</b>	<b>4.99</b>
Short Horizon Index (2) .....	2.60	7.64	3.67	4.63
<b>Medium Horizon Fund*</b> .....	<b>(1.18)</b>	<b>11.16</b>	<b>2.33</b>	<b>4.93</b>
Medium Horizon Index (3) .....	0.45	9.81	2.36	4.98
<b>Long Horizon Fund</b> .....	<b>(4.31)</b>	<b>11.53</b>	<b>(0.02)</b>	<b>4.34</b>
Long Horizon Index (4) .....	(3.29)	10.72	(0.01)	4.38
<b>HRA Fund</b> .....	<b>0.00</b>	<b>0.00</b>	<b>1.15</b>	<b>NA</b>
Treasury Bills Index.....	0.10	0.15	1.48	1.95

### *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) 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
- (3) 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
- (4) 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

\*Default where no investment option has been selected by the participant. Effective July 1, 2011, the Tier 2 Nonvested DC was invested with same asset mix as the medium horizon fund and experienced a negative 5.54% rate of return.

## Defined Contribution Plans Investment Plans *(Continued)*

### List of Largest Assets Held

December 31, 2011

#### ▄▄▄ Largest Equity Holdings

*(By Fair Value)*

Description	Shares	Fair Value
Apple Inc.	74,368	\$30,119,040
Fut Mar 12 EMINI S&P 500	322	20,166,860
Google Inc. Class A	23,633	15,264,555
Exxon Mobile Corp.	160,400	13,595,504
Schlumberger Limited Corp.	171,385	11,749,768
MasterCard Inc. Class A	30,926	11,529,831
Starbucks Corp.	230,316	10,596,839
International Business Machines Corp.	56,271	10,347,111
Precision Castparts Corp.	58,993	9,723,223
Allergan Inc.	109,001	9,563,748

#### ▄▄▄ Largest Debt Securities Holdings

*(By Fair Value)*

Description	Par Value	Fair Value
Bank of America Tri-Party Repo	\$43,314,741	43,314,741
US Treasury Note 2.25% 1/31/2015	32,184,124	30,200,000
Freddie Mac Reference Note 2.5% 5/27/2016	31,495,907	29,675,000
Fannie Mae Agency Bond 1.25% 9/28/2016	29,939,334	29,724,000
Fannie Mae Agency Bond 1.375% 11/15/2016	26,905,860	26,625,000
US Treasury Note 2.375% 3/31/2016	18,022,419	16,740,000
Freddie Mac Agency Bond 0.375% 11/27/2013	17,418,470	17,436,000
US Treasury Note 2.625% 8/15/2020	17,026,272	15,645,000
US Treasury Note DTD .75% Due 5/31/2012	14,701,711	14,650,000
Federal Home Loan Bank Agency Bond 1.125% 5/18/2012	13,739,423	13,670,000

### Schedules of Fees and Commissions

Year Ended December 31, 2011

#### ▄▄▄ Summary of Broker Commissions

Broker	Total Commission Fees
Investment Technology Group Inc	\$122,445
Weeden & Company	93,718
Citigroup Global Ltd. Broker	46,923
Jefferies & Company	43,929
Frank Russell Sec/Broadcort	18,498
Instinet	11,055
Credit Suisse First Boston Corporation	11,030
ITG Canada Corp, Toronto	13,910
Merrill Lynch	8,134
Morgan Stanley	7,590
Knight Equity Markets LP	7,180
Banque Paribas Paris	6,646
Deutsche Bank Securities Inc.	5,294
Goldman Sachs	3,448
Bear Stearns & Company	3,332
All others	32,275
<b>Total</b>	<b>\$435,407</b>

#### ▄▄▄ Schedule of Investment Fees

Investment advisor fees:	
Debt securities, domestic	\$1,533,280
Debt securities, international	\$104,626
Equity investments, domestic	1,105,618
Equity investments, international	395,883
<b>Total investment advisor fees</b>	<b>3,139,407</b>
Investment brokerage fees	435,407
<b>Total fees and commissions</b>	<b>\$3,574,814</b>

Utah Retirement Systems uses a commission recapture program as part of its trading strategies. During the year ending December 31, 2011, Utah Retirement Systems recaptured approximately \$66,000 from the gross commission charges. This sum was used to fund almost \$65,000 in investment expenses that otherwise would have been paid for with investment funds.



## Defined Contribution Plans Investment Plans *(Continued)*

### 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)*

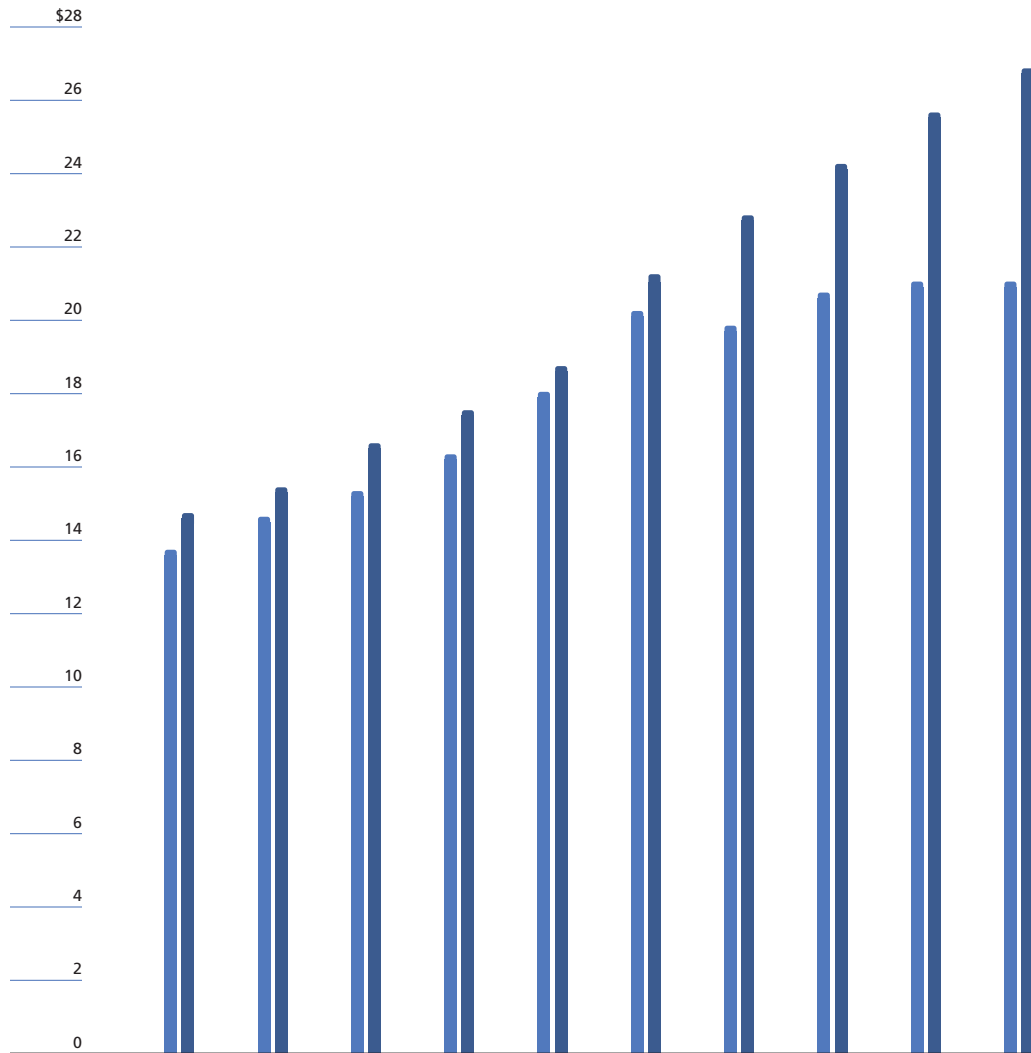
Waddell & Reed Asset Management Group  
6300 Lamar Avenue  
Shawnee Mission, KS 66201  
*(Balanced Fund, Large Cap Stock Growth Fund, and Short, Medium and Long Horizon Funds)*



# All Retirement Systems

## Funding Progress with Funding Ratios

(dollars in billions)



(dollars in billions)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Actuarial value of assets	\$13.8	14.7	15.4	16.4	18.1	20.3	19.9	20.8	21.1	21.1
Accrued actuarial liability	14.8	15.5	16.7	17.6	18.8	21.3	22.9	24.3	25.7	26.9
Funding ratios	93%	95%	92%	93%	96%	95%	87%	86%	82%	78%

Utah Retirement Systems

# Actuarial

Section



## 2011 *Comprehensive Annual Financial Report*

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# 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

October 14, 2011

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

Dear Members of the Board:

## Subject: Certification of 2011 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 (GASB 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. I.e., the rates determined by this January 1, 2011 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2012 and ending June 30, 2013. 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 23 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

## Actuary's Certification Letter *(Continued)*

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 2012.

### 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 85.7% to 82.7%. This decrease was primarily due to the recognition of an additional 20% of the extraordinary investment loss that occurred in 2008 and the adoption of updated assumptions as a result of the 2011 experience investigation. Absent favorable experience, we expect the funded ratio will continue to decrease for the next two years as the rest 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 77.3%, compared to 73.0% in the prior year. The increase in funded ratio on a market value basis is due to favorable experience in the assets. In particular, the investment return during 2010 on a market value basis was 13.2%, which provided \$954 million more in assets than was expected.

### Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2011, or which were adopted by the end of the 2011 legislative session and are effective on or before July 1, 2012. There were no changes made since the previous valuation that had a measurable effect on the current valuation. However, it is worth noting the status of two older pieces 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 in December 2012. This legislation was reflected in the valuation only for those units that made the election by December 31, 2010. Supplemental information will be provided to URS so that URS can adjust the contribution rates for employers electing the 4% COLA during 2011 or later. No new public safety units adopted the optional 4% COLA during 2010.

The New Public Employees' Tier 2 Contributory Retirement Act (SB 63) was passed during the 2010 legislative session. This law will close the current retirement systems (except for the Judges Retirement System) to new members effective June 30, 2011. It creates a new retirement benefit structure (Tier 2) for all employees hired after that date. Employers will continue to contribute the amortization rate to the current systems on the pay for Tier 2 members. Therefore, SB 63 did not affect the benefits provided to current URS members, and it creates a mechanism for ensuring that the UAAL is amortized over the payroll for both current and Tier 2 members. Therefore, this law had no effect on this actuarial valuation.

Under Governmental Accounting Standards Board Statement No. 25 (GASB 25), when a plan is closed to new members, the amortization charge should be determined based on the closed group's pay or as fixed dollar payments, rather than as payments which are level as a percentage of increasing payroll. However, because the plan will continue to receive amortization payments from the employers of Tier 2 members, i.e., based on the payroll for an open group of current and future employees, not the closed group of current members, we believe it is appropriate to continue to use a level-payroll amortization of the UAAL.

### Assumptions and methods

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. Current Board policy is to have the actuary perform an experience study every three years. In connection with the appropriate valuation, the actuary conducts a thorough review of plan experience for the preceding five years, and then makes recommendations to the Board.

An experience analysis was carried out in connection with this valuation, and as a result, we recommended, and the Board adopted a number of changes in the actuarial assumptions. Our recommendations included:

- Decrease the investment return assumption from 7.75% to 7.50%
- Decrease the inflation assumption from 3.00% to 2.75%. The COLA assumption for annuitants was also decreased from 3.00% to 2.75% for the 4.00% maximum COLA funds. There was no change to the 2.50% COLA assumption for the 2.50% maximum COLA funds.
- Modifications to the rate of salary increases for all groups. The wage inflation assumption for all the groups was decreased from 4.00% to 3.75% (i.e. 2.75% price inflation plus 1.00% for productivity).

## Actuary's Certification Letter *(Continued)*

- Decrease the payroll growth assumption from 4.00% to 3.50%.
- Modify the post-retirement mortality assumption for all groups and include an explicit assumption for future improvement in life expectancy.
- Modify the retirement rates for all groups. The changes result in an overall decrease in the rates at which active members are expected to retire.
- Modify the termination rates for all groups. The updates result in a slight increase in the rates at which active members are expected to terminate.
- Minor adjustments to the rates of disability incidence.

We did not recommend any changes in the actuarial cost method (Entry Age Normal) or in the method for determining the actuarial value of assets (five-year smoothing).

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, 2010 by the URS staff. The staff also supplied asset information as of December 31, 2010. 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, 2011. 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 and Mr. Conradi are Enrolled Actuaries and Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries. All three consultants below are experienced in performing valuations for large public retirement systems.

Sincerely,  
Gabriel Roeder Smith & Company



Lewis Ward  
Consultant



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



J. Christian Conradi, ASA, EA, MAAA  
Senior Consultant

Gabriel Roeder Smith & Company

# Utah Retirement Systems

## Summary of Actuarial Assumptions and Methods

*As of January 1, 2011*



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 23-year period from the valuation date (January 1, 2011).

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 23-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

## Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2011

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.

### 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*

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 above. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2000. These rates were adopted January 1, 2011. 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 2011, as recommended by the actuary.





## Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2011

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				
<b>Noncontributory and Contributory Retirement Systems</b> <i>Adopted January 1, 2011</i>	50	20.00%	16.00%	18.00%	20.00%	22.00%	25.00%	0.00%
	51	20.00	16.00	18.00	25.00	22.00	25.00	0.00
	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		
<b>Public Safety Retirement System</b> <i>Adopted January 1, 2011</i>	45	20.00%	50	20.00%	55	25.00%	59	25.00%	63	35.00%	67	50.00%
	46	20.00	51	22.00	56	25.00	60	25.00	64	35.00	68	50.00
	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		
<b>Firefighters Retirement System</b> <i>Adopted January 1, 2011</i>	45	16.00%	50	16.00%	55	18.00%	59	18.00%	63	40.00%	67	60.00%
	46	16.00	51	16.00	56	18.00	60	40.00	64	40.00	68	60.00
	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		
<b>Judges Retirement System</b> <i>Adopted January 1, 2011</i>	45	20.00%	50	20.00%	55	20.00%	59	20.00%	63	20.00%	67	20.00%
	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, 2011

	Other Termination of Employment Percent of Active Members Separating Within Next Year							
	Years of Service	Male			Female			Governors and Legislators Retirement Plan
		State and School Division		Local Government Division	State and School Division		Local Government Division	
		Educators	Public Employees		Educators	Public Employees		
<b>Noncontributory and Contributory Retirement Systems</b> <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
<b>Public Safety Retirement System</b> <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
<b>Firefighters Retirement System</b> <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	1.50	16	0.50	20+	0.00
	4	2.50								

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

**Summary of Actuarial Assumptions and Methods** *(Continued)**As of January 1, 2011*

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				
<b>All Retirement Systems</b>	0	10.75%	9.00%	9.75%	9.25%	9.75%
<i>Adopted January 1, 2011</i>	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

	Age	Probability Mortality Within the Next Year for Active Members			
		Male		Female	
		Educators	Local Government and Public Employees	Educators	Local Government and Public Employees
<b>Noncontributory and Contributory Retirement Systems</b>	20	0.0130%	0.0495%	0.0490%	0.0275%
<i>Adopted January 1, 2008</i>	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 *(Continued)*

As of January 1, 2011

	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
<b>Noncontributory and Contributory Retirement Systems</b>	0-3	100%	100%	100%	100%	100%	100%
	4	75	86	75	65	80	77
	5	73	83	73	64	79	75
<i>Adopted January 1, 1993</i>	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	
<b>Public Safety Retirement System and Firefighters Retirement System</b>	20	0.0440%	40	0.0605%	60	0.3740%
	25	0.0440	45	0.1045	65	0.4730
	30	0.0440	50	0.1760	70	0.5665
<i>Adopted January 1, 2008</i>	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	
<b>Public Safety Retirement System and Firefighters Retirement System</b>	0-3	100%	15	35%
	4	76	19	15
	5	74	20	0
<i>Adopted January 1, 1993</i>	10	57		

## Analysis of Financial Experience

*(in thousands)*

System	January 1, 2010 Unfunded Actuarial Accrued Liability	Amortization Payments	Liability (Gain) Loss	Asset (Gain) Loss	Changes in Actuarial Assumptions	Change in Benefit Provisions	Asset Transfers	January 1, 2011 Unfunded Actuarial Accrued Liability
<b>Noncontributory</b>	\$ 2,764,672	62,168	(409,650)	804,473	272,057	—	42,348	3,536,068
<b>Contributory</b>	119,273	(961)	(26,534)	57,874	11,447	—	(42,348)	118,751
<b>Public Safety</b>	513,648	17,839	(70,774)	101,568	87,804	—	—	650,085
<b>Firefighters</b>	31,268	6,991	(23,724)	39,195	8,187	—	—	61,917
<b>Judges</b>	26,812	1,391	1,517	6,428	(436)	—	—	35,712
<b>Utah Governors and Legislators</b>	536	183	(26)	582	41	—	—	1,316
<b>Tier 2 Public Employees</b>	—	—	—	—	—	—	—	—
<b>Tier 2 Public Safety and Firefighters</b>	—	—	—	—	—	—	—	—

## Member and Employer Contribution Rates

As of December 31

System	Year	Contributory			Noncontributory	
		Member	Employer	Employer	Employer	Employer
		State and School		Local Government	State and School	Local Government
<b>Noncontributory and Contributory Retirement Systems</b>	2002	6.00%	5.91%	4.68%	10.40%	8.69%
	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
			Division A (with Social Security)		Division B (without Social Security)	
		Member	Employer	Member	Employer	
<b>Firefighters Retirement System</b>	2002	7.82%	—%	7.83%	—%	8.88%
	2003	8.21	—	7.83	—	10.35
	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	—	16.18	—	12.29
			Judges		Judges	
		Member	Employer	Employer	Court Fees	
<b>Judges Retirement System</b>	2002	4.92%	—%	4.92%	18.40%	\$ —
	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	—
<b>Utah Governors and Legislators Retirement Plan</b>	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

## 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
<b>Public Safety Retirement System Noncontributory Division A</b>	2002	—	19.68%	—	13.89%	—	—	—	17.41%
	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	—	19.19

<b>Public Safety Retirement System Contributory Division A</b>	2002	12.29%	8.05%	12.29%	2.17%	—	—	—	—
	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	—	—

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
<b>Public Safety Retirement System Noncontributory Division B</b>	2002	—	28.27%	—	21.06%	—	14.79%	—	—	—	17.66%	—	—
	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	—	32.05	—	29.19	—	32.70

<b>Public Safety Retirement System Contributory Division B</b>	2002	13.74%	15.50%	—	—	11.13%	3.66%	13.54%	9.47%	10.50%	7.34%	10.50%	—
	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

## Member and Employer Contribution Rates *(Continued)*

As of December 31

System	Year	Contributory		Noncontributory		
		Local Government Employer	State and School Employer	Local Government Employer		
<b>Tier 2 Public Employees Retirement System*</b>	2011	12.40%	12.74%	10.33%		

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System	Year	Contributory		Noncontributory		
		State of Utah Employer	Bountiful Employer	2.5% COLA Other Division A (with Soc Sec) Employer	4% COLA Other Division A (with Soc Sec) Employer	
<b>Tier 2 Public Safety and Firefighters Retirement System*</b>						
<b>Public Safety Noncontributory Division A</b>	2011	22.06%	18.15%	16.27%	17.18%	
<b>Public Safety Contributory Division A</b>	2011			16.27	17.47	

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System	Year	Contributory		Noncontributory		Other Divisions	
		Salt Lake City Employer	Ogden Employer	Logan Employer	Provo Employer	Other Division B (without Soc Sec) Employer	Other Division B (without Soc Sec) Employer
<b>Public Safety Noncontributory Division B</b>	2011	25.82%	25.21%	21.15%	22.01%	17.72%	20.89%
<b>Public Safety Contributory Division B</b>	2011					17.72	21.06

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System	Year	Contributory	
		Other Division A (with Social Security) Employer	Other Division B (with Social Security) Employer
<b>Firefighters</b>	2011	10.64%	10.64%

\*Includes active member death benefit and Tier 1 amortization rate.

## Solvency Tests

System	Date	Actuarial Accrued Liabilities				Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets			
		(1) Active Members Contributions	(2) Retired and Beneficiaries	(3) Active Member (Employer Financed Portion)	(4) Total Actuarial Accrued Liabilities		(1)	(2)	(3)	(4)
<b>Noncontributory Retirement System</b>	1/01/03	\$ 955,624	4,171,062	6,637,667	11,764,353	10,848,586	100%	100%	86%	92%
	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	6,285,751	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
	12/31/11	541,476	9,875,383	11,099,651	21,516,510	16,861,064	100	100	58	78
<b>Contributory Retirement System</b>	1/01/03	\$ 285,260	416,552	275,106	976,918	899,290	100%	100%	72%	92%
	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
	12/31/11	310,046	630,747	337,479	1,278,272	1,080,139	100	100	41	84
<b>Public Safety Retirement System</b>	1/01/03	\$ 84,479	669,736	704,276	1,458,491	1,349,435	100%	100%	85%	93%
	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
	12/31/11	77,231	1,501,102	1,466,374	3,044,707	2,222,202	100	100	44	73
<b>Firefighters Retirement System</b>	1/01/03	\$ 78,253	270,842	172,069	521,164	553,589	100%	100%	100%	106%
	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
	12/31/11	116,966	516,105	293,563	926,634	810,764	100	100	61	87



Solvency Tests *(Continued)*

System	Date	Actuarial Accrued Liabilities				Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets			
		(1) Active Members Contributions	(2) Retired and Beneficiaries	(3) Active Member (Employer Financed Portion)	(4) Total Actuarial Accrued Liabilities		(1)	(2)	(3)	(4)
<b>Judges Retirement System</b>	1/01/03	\$8,639	40,800	41,134	90,573	90,904	100%	100%	100%	100%
	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
	12/31/11	4,376	97,460	73,927	175,763	130,561	100	100	39	74
<b>Utah Governors and Legislators Retirement Plan</b>	1/01/03	\$ 187	5,212	3,307	8,706	10,719	100%	100%	100%	123%
	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
	12/31/11	107	6,482	5,133	11,722	9,565	100	100	58	82
<b>Tier 2 Public Employees Retirement System</b>	12/31/11	\$ —	—	2,806	2,806	2,833	100%	100%	101%	101%
<b>Tier 2 Public Safety and Firefighters Retirement System</b>	12/31/11	\$ —	—	90	90	90	100%	100%	100%	100%

## 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	
<b>Noncontributory Retirement System</b>	2002	376	82,486	\$2,926,449,000	35,481	2.60%	2.40%
	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
	<b>Contributory Retirement System</b>	2002	164	3,649	\$ 142,325,000	38,784	3.07%
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
<b>Public Safety Retirement System</b>		2002	119	6,966	\$ 268,478,000	39,004	3.45%
	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
	<b>Firefighters Retirement System</b>	2002	40	1,538	\$ 71,354,000	46,548	3.68%
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

Schedules of Active Member Valuation Data *(Continued)*

Year Ended December 31

System	Year	Number of Participating Employers	Active Members	Active Members			Inflation Increase (CPI)
				Annual Payroll	Average Pay	Percent Increase	
<b>Judges Retirement System</b>	2002	1	103	\$11,173,000	106,010	1.64%	2.40%
	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
	<b>Utah Governors and Legislators Retirement Plan</b>	2002	1	91	\$ 556,000	6,454	0.50%
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
<b>Tier 2 Public Employees Retirement System</b>		2011	456	4,777	\$36,821,000	7,708	100.00%
<b>Tier 2 Public Safety and Firefighters Retirement System</b>	2011	145	99	\$ 855,000	8,636	100.00%	3.20%

## 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		
<b>Noncontributory Retirement System</b>	2002	1,737	\$ —	236	\$ —	20,666	\$348,230,000	11.86%	\$16,351
	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	723,052,000	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
	<b>Contributory Retirement System</b>	2002	120	\$ —	566	\$ —	7,402	\$ 59,497,000	(0.13)%
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
<b>Public Safety Retirement System</b>		2002	162	\$ —	30	\$ —	2,721	\$ 53,962,000	11.02%
	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
	<b>Firefighters Retirement System</b>	2002	32	\$ —	14	\$ —	885	\$ 22,288,000	7.27%
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

\*Additional information will be added when it becomes available.

**Schedules of Retirants and Beneficiaries** *(Continued)*

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		
<b>Judges Retirement System</b>	2002	1	\$ —	2	\$ —	77	\$ 3,804,000	3.96%	\$48,014
	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	1,084,000	—	—	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
	<b>Utah Governors and Legislators Retirement Plan</b>	2002	7	\$ —	5	\$ —	231	\$ 708,000	2.46%
2003		3	—	11	—	223	726,000	2.54	2,817
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
<b>Tier 2 Public Employees Retirement System**</b>		2011	—	—	—	—	—	—	—
<b>Tier 2 Public Safety and Firefighters Retirement System**</b>	2011	—	—	—	—	—	—	—	—

\*Additional information will be added when it becomes available.

\*\*There are currently no retirees in the system.

# 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



## Summary of Plan Provisions *(Continued)*

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.

An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of transferred contributions plus interest, if applicable. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.

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 12-31-2011)*

Employer rate for State & School (Level A) is 16.86% of covered salary and 13.77% for Local Government (Level B).

### Interest

Up to 7.75% 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.

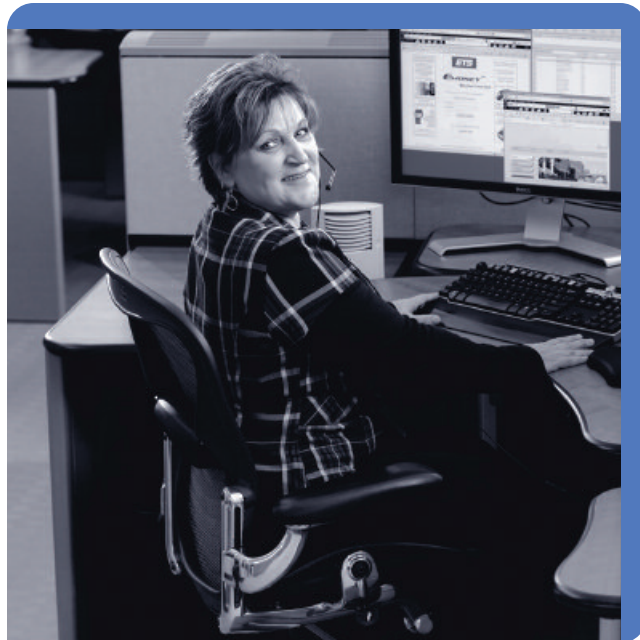
### Vesting

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.



## Summary of Plan Provisions *(Continued)*

### 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.

### 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 ten years of service consists of a refund of contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.

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 12-31-2011)*

Member contribution rate is 6.00%\* of covered salary. Employer rate for State and School (Level A) is 12.37% of covered salary and 9.76% 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 7.75% 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 or special function officer; 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 4 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.



## Summary of Plan Provisions *(Continued)*

### 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 shall 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.

## Summary of Plan Provisions *(Continued)*

### Contribution Rates *(as of 12-31-2011)*

#### NONCONTRIBUTORY OPTION

Employer rates for Division A are: State units 34.12%; Provo 33.05%; Bountiful 29.19%; other law enforcement units with a 2.5% COLA 27.07% and units with a 4.0% COLA 28.82% of salary. Employer rates for Division B are: Salt Lake City 36.71%; Ogden 36.13%; Logan 31.91%; other law enforcement units with a 2.5% COLA 28.64% and units with a 4.0% COLA 32.70% of covered salary.

#### 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 22.88%; all other law enforcement units with a 2.5% COLA 15.78% and units with a 4.0% COLA 18.34% of covered salary. Employer rates for Division B are: Logan 21.36% and other law enforcement units with a 2.5% COLA 19.48% and units with a 4.0% COLA 23.22% of salary.

*\*Employers have the option of paying all or part of member contributions on behalf*

#### Interest

Up to 7.75% 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.



## Summary of Plan Provisions *(Continued)*

### 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.

### 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 five 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 12-31-2011)*

Member rate in Division A is 15.05% of covered salary. Member rate in Division B is 16.18% of covered salary.\* Employer rate in Division A is 0.5% and in Division B is 0.00% of covered salary. A fire insurance premium tax equal to 13.34% 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.

## 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 12-31-2011)*

Employer rate includes 40.08% of covered salary and 14.26% from court fees.

#### Interest

Up to 7.75% on member accounts.



**Summary of Plan Provisions** *(Continued)*

## Utah 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 12-31-11 is \$1,260 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 12-31-11 is \$27.60.

### Cost-of-Living Allowance

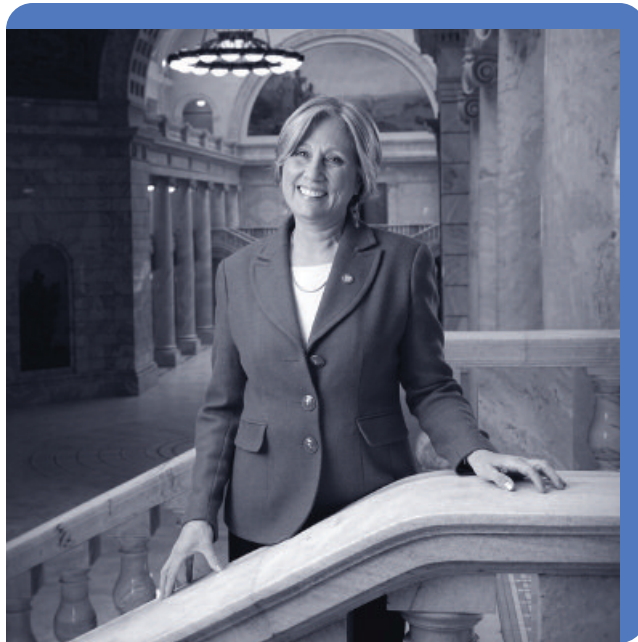
Up to 4% annually on the original retirement benefit. Eligible after one year.

### Death Benefits

An active or retired member's death benefit to a spouse consists of a monthly pension equal to 50% of the retirement allowance paid, or to which the member would have been entitled to upon reaching age 65, if the member has four or more years of service as a governor or legislator. The deceased member and surviving spouse must have been married at least six months.

### Contribution Rates *(as of 12-31-2011)*

There was a 2010-11 appropriation payable by June 30, 2011, to the Utah Governors and Legislative Retirement Plan of \$153,398.



## Summary of Plan Provisions *(Continued)*

### 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 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 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; 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.*

## Summary of Plan Provisions *(Continued)*

### 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 years of service
60-61 .....	20 years of service
62-64 .....	10 years of service
65.....	4 years of service

† *When fewer than 35 years of service from any combination of Utah Retirement Systems, the allowance shall 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 a 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 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 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 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 12-31-2011)*

Range from 12.74% to 14.81% of salary for local government employers. The rate for State and School Employers is 15.15%.

## Summary of Plan Provisions *(Continued)*

### 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 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 4 years of qualifying service credit.



## Summary of Plan Provisions *(Continued)*

### **Service Retirement, Applies Only to the Tier 2 Public Safety and Firefighters Retirement System**

Age	Years of Service Allowance Reduction†
Any age.....	25 years of service
60-61 .....	20 years of service
62-64 .....	10 years of service
65.....	4 years of service

† *When fewer than 25 years of service from any combination of Utah Retirement Systems, the allowance shall 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 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 Safety and Firefighters Retirement System has a COLA up to a 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 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 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 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).

### **DEATH BENEFIT INSURANCE — Applies to Both the 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 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 12-31-2011)***

Public Safety rates range from a low of 17.82% to a high of 27.37% of salary. The firefighter rate is 12.19% of salary.

## Summary of Plan Provisions *(Continued)*

### Utah Retirement Systems

# Changes in Plan Provisions

The following retirement-related bills were passed by the 2011 Utah Legislature:

#### **Public Safety Retirement Systems**

##### **HB 90: Board of Pardons Amendments**

Clarifies that a member of the Board of Pardons will participate in the public safety retirement system.

#### **General**

##### **SB 112: Retirement System Divestment**

Prohibits URS from making any future direct investments in foreign companies that have a significant presence in the Iranian energy business.

##### **SB 127: Post-Retirement Employment Amendments**

Allows a retiree to return to part-time employment with a participating employer after a 60 day break in service after retirement if the retiree does not receive any employer paid benefit or does not earn more than the lesser of \$15,000 or one half of his or her final average salary annually. Such employment also restarts the required one-year separation from retirement before full-time employment can begin.



Utah Retirement Systems

# Defined Contribution Savings Plans Summary of Plan Provisions



## Introduction

The 401(k), 457, Roth and Traditional IRA Plans administered by the Board are Defined Contribution Savings Plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems. 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.

## Defined Contribution Savings Plans

### Summary of Plan Provisions *(Continued)*

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) in their behalf for it to be considered a “qualifying system.” The employer may contribute the 7.5% themselves, or they may require their employees to pay a portion or all of it.

#### Summary of Plan Provisions

##### DEFERRAL LIMITS

**401(k)** — Limited in 2011 to an annual maximum of \$16,500. Employer contributions and employee deferrals combined could not exceed the lesser of \$49,000 or 100% of compensation.

**457** — Limited to an annual maximum of \$16,500 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 offered by the employer.

**Roth and Traditional IRA** — All 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 59 ½, retirement, disability, death, or hardship caused by immediate and heavy financial needs.

**457** — Allowable upon termination of employment, age 70 ½, 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 59 ½.

##### 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 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)** — Fully vested. Employee and employer contributions are fully vested. Tier 2 employer contributions 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 contributions are not eligible.

**Roth and Traditional IRA** — Not available.

#### 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.

#### 2011 Core Investment Options

##### INCOME FUND

The Income Fund is a stable value option which invests in a diversified portfolio consisting of U.S. government securities, mortgages, corporate bonds, guaranteed investment contracts, and short term funds. This fund is the most conservative of the investment options and offers the most stable return.

##### 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.

## Defined Contribution Savings Plans

### Summary of Plan Provisions *(Continued)*

#### 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 invests primarily in stocks of companies outside of the United States. This fund offers international diversification, but adds currency risk and country risk not found in a U.S. fund.

#### 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 above. The Horizon

#### 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
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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 ten 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 ten 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 health care 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, their spouse and dependents to pay qualified medical expenses. For a comprehensive list of eligible expenses, see IRS Publication 502, *Medical and Dental Expenses*.

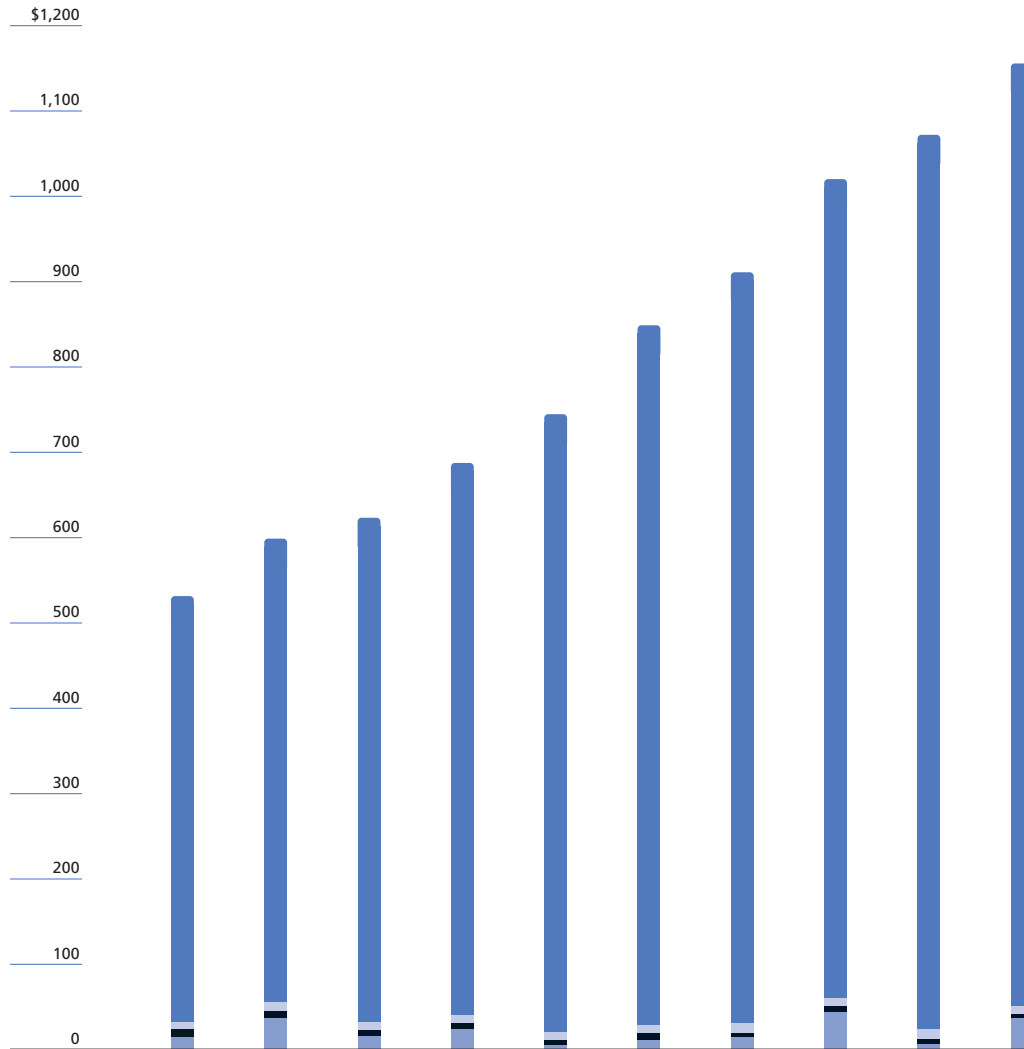
**REFUNDS, ADMINISTRATION AND FEES** — Contributions are placed in a money market account managed by Northern Trust investment management. Administrative and money management fees totaling 0.6% are deducted from earnings. There is also a \$2.50 monthly fee for the benefit card and claims processing.

*The historical rates of returns for each investment fund are found on page 117.*

# All Retirement Systems

## Deductions by Type

(dollars in millions)



(in millions)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Benefits	\$489	533	579	634	710	804	863	941	1,028	1,083
Administrative expense	9	10	10	10	10	10	11	10	11	9
Refunds	9	8	7	6	5	7	5	6	6	5
Transfers to systems	15	37	16	25	6	12	15	44	7	37
<b>Totals</b>	<b>\$522</b>	<b>588</b>	<b>612</b>	<b>675</b>	<b>731</b>	<b>833</b>	<b>894</b>	<b>1,001</b>	<b>1,052</b>	<b>1,134</b>

## 2011 *Comprehensive Annual Financial Report*

**158 Schedules of Changes in Fund Balance — Defined Benefit Systems**

*This schedule allows readers to view changes in net assets and benefits over a ten-year period.*

**162 Schedule of Changes in Fund Balance — Defined Contribution Plans**

*This schedule allows readers to view changes in net assets and refunds over a ten-year period.*

**164 Schedules of Benefit Deductions by Type**

*This schedule provides readers with information regarding the type of benefit deductions for the last ten years.*

**166 Schedules of Retired Members by Type of Benefit Option**

*This schedule provides readers with information regarding the benefit option retired members choose.*

**168 Schedules of Average Benefit Payments**

*This schedule provides readers with information regarding benefit payments by years of service.*

**171 Schedules of Active Members by Age and Gender**

*This schedule provides readers with information regarding members by age and gender.*

**172 Schedules of Retirees by Age and Gender**

*This schedule provides readers with information regarding retirees by age and gender.*

**174 Schedules of Principal Participating Employers**

*This schedule provides 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 schedule 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		Court Fees/ Fire Insurance Tax	Contributions as a Percent of Covered Payroll	Net Investment Income
			Member Contributions	Employer Contributions			
<b>Noncontributory Retirement System</b>	2002	\$ 9,905,802	12,496	291,256	—	9.95%	\$ (788,906)
	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
	<b>Contributory Retirement System</b>	2002	\$ 843,982	8,923	6,735	—	4.73%
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
<b>Public Safety Retirement System</b>		2002	\$ 1,229,903	4,258	42,264	—	15.74%
	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
	<b>Firefighters Retirement System</b>	2002	\$ 508,565	5,800	—	9,454	13.25%
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



Transfers from Systems	Total Additions	Benefit Payments	Refunds	Administrative & Actuarial Expense	Transfers to Systems	Total Deductions	Changes in Net Assets	Ending Net Assets
12,166	(472,988)	348,230	3,715	7,103	—	359,048	(832,036)	9,073,766
—	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
—	(48,593)	59,497	3,716	624	15,420	79,257	(127,850)	716,132
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
1,956	(49,338)	53,962	1,155	899	—	56,016	(105,354)	1,124,549
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
735	(24,209)	22,288	422	323	—	23,033	(47,242)	461,323
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

Schedules of Changes in Fund Balance — Defined Benefit Systems *(Continued)*

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		
<b>Judges Retirement System</b>	2002	\$ 82,760	5	472	2,381	25.53%	\$(6,564)
	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
<b>Utah Governors and Legislators Retirement Plan</b>	2002	\$ 10,448	—	—	—	—	\$ (806)
	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
<b>Tier 2 Public Employees Retirement System*</b>	2011	\$ —	—	2,790	—	7.58%	\$ 9
<b>Tier 2 Public Safety and Firefighters Retirement System*</b>	2011	\$ —	—	89	—	10.41%	\$ —

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

Transfers from Systems	Total Additions	Benefit Payments	Refunds	Administrative & Actuarial Expense	Transfers to Systems	Total Deductions	Changes in Net Assets	Ending Net Assets
560	(3,146)	3,804	—	57	—	3,861	(7,007)	75,753
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
3	(803)	708	—	5	—	713	(1,516)	8,932
—	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
—	2,799	—	—	—	—	—	2,799	2,799
—	89	—	—	—	—	—	89	89

## 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
<b>401(k) Plan</b>	2002	\$ 1,330,045	160,267	(109,790)	50,477
	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
<b>457 Plan</b>	2002	\$ 199,518	10,353	(13,325)	(2,972)
	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
<b>Roth IRA Plan*</b>	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
<b>Traditional IRA Plan*</b>	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
<b>HRA Plan*</b>	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
<b>All Defined Contribution Plans</b>	2002	\$ 1,529,563	170,620	(123,115)	47,505
	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

\*This plan has existed for less than 10 years.

Refunds	Administrative Expenses	Total Deductions	Changes in Net Assets	Ending Net Assets
63,908	3,850	67,758	(17,281)	1,312,764
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
24,498	487	24,985	(27,957)	171,561
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
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
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
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
88,406	4,337	92,743	(45,238)	1,484,325
83,662	4,599	88,261	365,269	1,849,594
98,548	5,074	103,622	254,232	2,103,826
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

## 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
<b>Noncontributory Retirement System</b>	2002	\$ 294,735	53,495	—	348,230
	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
	<b>Contributory Retirement System</b>	2002	\$ 37,256	20,292	1,949
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
<b>Public Safety Retirement System</b>		2002	\$ 45,588	7,689	685
	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
	<b>Firefighters Retirement System</b>	2002	\$ 17,314	4,223	751
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

**Schedules of Benefit Deductions by Type** *(Continued)*

Year Ended December 31

*(in thousands)*

System	Year	Service and Disability Benefits	Cost-of-Living Benefits	Supplemental Benefits	Total Benefits
<b>Judges Retirement System</b>	2002	\$ 3,009	795	—	3,804
	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
	<b>Utah Governors and Legislators Retirement Plan</b>	2002	\$ 556	152	—
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
<b>Tier 2 Public Employees Retirement System*</b>		2011	\$ —	—	—
<b>Tier 2 Public Safety and Firefighters Retirement System*</b>	2011	\$ —	—	—	—

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

## Schedules of Retired Members by Type of Benefit Option

Year Ended December 31, 2011

(in thousands)

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option								
		1	2	3	4	5	6	7	8	9
<b>Noncontributory Retirement System</b>	\$1-1,000	7,441	763	1,928	248	2,438	735	—	—	—
	1,001-2,000	3,586	704	1,584	266	2,061	777	—	—	—
	2,001-3,000	2,677	704	1,821	285	2,388	827	—	—	—
	3,001-4,000	1,503	403	1,206	202	1,100	420	—	—	—
	4,001-5,000	409	99	494	87	317	120	—	—	—
	over-5,000	181	45	223	40	92	42	—	—	—
<b>Contributory Retirement System</b>	\$1-1,000	1,261	502	239	37	242	91	—	—	—
	1,001-2,000	542	244	205	57	231	69	—	—	—
	2,001-3,000	175	109	105	21	132	44	—	—	—
	3,001-4,000	57	31	40	8	31	17	—	—	—
	4,001-5,000	8	13	12	1	6	4	—	—	—
	over-5,000	4	4	8	—	1	1	—	—	—
<b>Public Safety Retirement System</b>	\$1-1,000	—	—	—	—	—	—	—	301	107
	1,001-2,000	—	—	—	—	—	—	—	708	263
	2,001-3,000	—	—	—	—	—	—	—	1,254	442
	3,001-4,000	—	—	—	—	—	—	—	511	188
	4,001-5,000	—	—	—	—	—	—	—	172	87
	over-5,000	—	—	—	—	—	—	—	76	16
<b>Firefighters Retirement System</b>	\$1-1,000	—	—	—	—	—	—	—	37	—
	1,001-2,000	—	—	—	—	—	—	—	151	—
	2,001-3,000	—	—	—	—	—	—	—	411	—
	3,001-4,000	—	—	—	—	—	—	—	394	—
	4,001-5,000	—	—	—	—	—	—	—	141	—
	over-5,000	—	—	—	—	—	—	—	39	—

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 65% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.

9—Normal retirement benefit 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 *(Continued)*

Year Ended December 31, 2011

*(in thousands)*

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option								
		1	2	3	4	5	6	7	8	9
<b>Judges Retirement System</b>	\$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	—	—	—	—	—	—	—	58	52
<b>Utah Governors and Legislators Retirement Plan*</b>	\$1-1,000	—	—	—	215	—	1	—	—	—
	1,001-2,000	—	—	—	3	—	—	—	—	—
	2,001-3,000	—	—	—	1	—	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—	—
	over-5,000	—	—	—	—	—	—	—	—	—
<b>Tier 2 Public Employees Retirement System**</b>	\$1-1,000	—	—	—	—	—	—	—	—	—
	1,001-2,000	—	—	—	—	—	—	—	—	—
	2,001-3,000	—	—	—	—	—	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—	—
	over-5,000	—	—	—	—	—	—	—	—	—
<b>Tier 2 Public Safety and Firefighters Retirement System**</b>	\$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 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+
<b>Noncontributory Retirement System</b>	2007	Average Monthly Benefit	\$ 350	674	1,100	1,433	2,461	3,136
		Monthly Final Average Salary	2,334	2,754	3,289	3,601	4,532	5,100
		Number of Active Retired	408	248	362	226	582	305
	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
<b>Contributory Retirement System</b>	2007	Average Monthly Benefit	\$ 270	523	723	1,138	2,257	2,769
		Monthly Final Average Salary	2,096	2,184	2,281	3,007	3,974	4,455
		Number of Active Retired	5	14	18	56	78	26
	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

**Schedules of Average Benefit Payments** *(Continued)*

December 31

System			Years of Credited Service					
			4-10	11-15	16-20	21-25	26-30	31+
<b>Public Safety Retirement System</b>	2007	Average Monthly Benefit	\$ 807	1,116	2,124	2,541	3,351	3,657
		Monthly Final Average Salary	3,252	3,371	4,167	4,839	5,259	5,401
		Number of Active Retired	13	16	69	51	26	15
	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
<b>Firefighters Retirement System</b>	2007	Average Monthly Benefit	\$ 1,523	—	2,417	2,857	3,643	3,533
		Monthly Final Average Salary	3,047	—	5,111	5,380	5,759	5,492
		Number of Active Retired	3	—	6	15	15	14
	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

*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+
<b>Judges Retirement System</b>	2007	Average Monthly Benefit	\$ —	—	5,927	7,142	6,979	8,731
		Monthly Final Average Salary	—	—	9,518	9,202	9,202	9,257
		Number of Active Retired	—	—	1	2	3	1
	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	—
<b>Utah Governors and Legislators Retirement Plan</b>	2007	Average Monthly Benefit	\$ 138	282	520	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	4	1	1	—	—	—
	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	—	—
<b>Tier 2 Public Employees Retirement System*</b>	2011	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
<b>Tier 2 Public Safety and Firefighters Retirement System*</b>	2011	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—

\*There are no retirees in the Tier 2 Retirement Systems.

## Schedules of Active Members by Age and Gender

Year Ended December 31, 2011

System	Ages	Male	Female	Total
<b>Noncontributory Retirement System</b>	Under 20	32	39	71
	20 to 29	3,152	6,472	9,624
	30 to 39	8,060	11,123	19,183
	40 to 49	7,990	13,604	21,594
	50 to 54	4,316	8,732	13,048
	55 to 59	4,126	8,812	12,938
	60 to 69	3,663	7,108	10,771
	70 and Older	329	343	672
	Total	31,668	56,233	87,901
<b>Contributory Retirement System</b>	Under 20	—	1	1
	20 to 29	43	46	89
	30 to 39	97	83	180
	40 to 49	166	166	332
	50 to 54	248	241	489
	55 to 59	262	298	560
	60 to 69	212	254	466
	70 and Older	9	11	20
	Total	1,037	1,100	2,137
<b>Public Safety Retirement System</b>	Under 20	—	—	—
	20 to 29	1,027	102	1,129
	30 to 39	2,797	337	3,134
	40 to 49	1,977	287	2,264
	50 to 54	442	85	527
	55 to 59	303	60	363
	60 to 69	170	24	194
	70 and Older	7	1	8
	Total	6,723	896	7,619
<b>Firefighters Retirement System</b>	Under 20	1	—	1
	20 to 29	229	10	239
	30 to 39	817	23	840
	40 to 49	526	24	550
	50 to 54	152	1	153
	55 to 59	109	1	110
	60 to 69	39	—	39
	70 and Older	—	—	—
	Total	1,873	59	1,932

System	Ages	Male	Female	Total
<b>Judges Retirement System</b>	Under 20	—	—	—
	20 to 29	—	—	—
	30 to 39	—	—	—
	40 to 49	13	6	19
	50 to 54	14	9	23
	55 to 59	27	5	32
	60 to 69	29	6	35
	70 and Older	2	—	2
	Total	85	26	111
<b>Utah Governors and Legislators Retirement Plan</b>	Under 20	—	—	—
	20 to 29	1	—	1
	30 to 39	8	1	9
	40 to 49	28	7	35
	50 to 54	7	4	11
	55 to 59	23	4	27
	60 to 69	21	7	28
	70 and Older	3	1	4
	Total	91	24	115
<b>Tier 2 Public Employees Retirement System</b>	Under 20	69	71	140
	20 to 29	670	1,648	2,318
	30 to 39	393	716	1,109
	40 to 49	156	529	685
	50 to 54	81	171	252
	55 to 59	62	98	160
	60 to 69	60	43	103
	70 and Older	7	3	10
	Total	1,498	3,279	4,777
<b>Tier 2 Public Safety and Firefighters Retirement System</b>	Under 20	—	—	—
	20 to 29	59	5	64
	30 to 39	32	—	32
	40 to 49	3	—	3
	50 to 54	—	—	—
	55 to 59	—	—	—
	60 to 69	—	—	—
	70 and Older	—	—	—
	Total	94	5	99

## Schedules of Retirees by Age and Gender

Year Ended December 31, 2011

System	Ages	Male	Female	Total
<b>Noncontributory Retirement System</b>	Under 55	251	394	645
	55 to 59	781	1,051	1,832
	60 to 64	2,289	3,484	5,773
	65 to 69	3,646	6,035	9,681
	70 to 74	3,130	4,939	8,069
	75 to 79	2,493	3,679	6,172
	80 to 84	1,639	2,418	4,057
	85 to 89	716	1,023	1,739
	90 to 94	93	140	233
	95 to 100	3	12	15
Over 100	—	—	—	
	Total	15,041	23,175	38,216

<b>Contributory Retirement System</b>	Under 55	61	55	116
	55 to 59	99	102	201
	60 to 64	154	221	375
	65 to 69	223	382	605
	70 to 74	170	332	502
	75 to 79	107	265	372
	80 to 84	156	375	531
	85 to 89	236	608	844
	90 to 94	223	548	771
	95 to 100	45	176	221
Over 100	2	12	14	
	Total	1,476	3,076	4,552

System	Ages	Male	Female	Total
<b>Public Safety Retirement System</b>	Under 55	571	196	767
	55 to 59	545	141	686
	60 to 64	678	159	837
	65 to 69	568	137	705
	70 to 74	333	111	444
	75 to 79	246	101	347
	80 to 84	110	98	208
	85 to 89	44	44	88
	90 to 94	12	20	32
	95 to 100	3	7	10
Over 100	—	1	1	
	Total	3,110	1,015	4,125

<b>Firefighters Retirement System</b>	Under 55	127	44	171
	55 to 59	151	27	178
	60 to 64	203	31	234
	65 to 69	177	30	207
	70 to 74	121	29	150
	75 to 79	58	24	82
	80 to 84	41	41	82
	85 to 89	34	15	49
	90 to 94	4	12	16
	95 to 100	1	3	4
Over 100	—	—	—	
	Total	917	256	1,173

Schedules of Retirees by Age and Gender *(Continued)*

Year Ended December 31, 2011

System	Ages	Male	Female	Total	System	Ages	Male	Female	Total
<b>Judges Retirement System</b>	Under 55	—	—	—	<b>Tier 2 Public Employees Retirement System*</b>	Under 55	—	—	—
	55 to 59	—	3	3		55 to 59	—	—	—
	60 to 64	15	2	17		60 to 64	—	—	—
	65 to 69	15	5	20		65 to 69	—	—	—
	70 to 74	14	4	18		70 to 74	—	—	—
	75 to 79	10	5	15		75 to 79	—	—	—
	80 to 84	11	12	23		80 to 84	—	—	—
	85 to 89	10	3	13		85 to 89	—	—	—
	90 to 94	—	6	6		90 to 94	—	—	—
	95 to 100	—	—	—		95 to 100	—	—	—
	Over 100	—	—	—		Over 100	—	—	—
Total	75	40	115	Total	—	—	—		
<b>Utah Governors and Legislators Retirement Plan</b>	Under 55	—	2	2	<b>Tier 2 Public Safety and Firefighters Retirement System*</b>	Under 55	—	—	—
	55 to 59	—	1	1		55 to 59	—	—	—
	60 to 64	4	2	6		60 to 64	—	—	—
	65 to 69	19	11	30		65 to 69	—	—	—
	70 to 74	24	8	32		70 to 74	—	—	—
	75 to 79	37	15	52		75 to 79	—	—	—
	80 to 84	20	30	50		80 to 84	—	—	—
	85 to 89	22	6	28		85 to 89	—	—	—
	90 to 94	10	6	16		90 to 94	—	—	—
	95 to 100	—	3	3		95 to 100	—	—	—
	Over 100	—	—	—		Over 100	—	—	—
Total	136	84	220	Total	—	—	—		

\*There are no retirees in the Tier 2 Retirement Systems.

## Schedules of Principal Participating Employers

Year Ended December 31

System	Employer	2011			2010		
		Active Members	Rank	Percent of Total Active Member	Active Members	Rank	Percent of Total Active Members
<b>Noncontributory Retirement System</b>	State of Utah	15,273	1	17.38%	16,071	1	17.39%
	Granite School District	5,400	2	6.14	5,781	2	6.26
	Davis School District	5,113	3	5.82	5,330	4	5.77
	Alpine School District	5,095	4	5.80	5,551	3	6.01
	University of Utah	3,895	5	4.43	4,217	5	4.56
	Jordan School District	3,239	6	3.68	3,366	6	3.64
	Salt Lake County	2,813	7	3.20	2,869	7	3.11
	Weber School District	2,784	8	3.17	2,861	8	3.10
	Salt Lake School District	2,520	9	2.87	2,683	9	2.90
	Canyons School District	2,460	10	2.80	2,637	10	2.85
	Nebo School District	—	—	—	—	—	—
	Other	39,309		44.71	41,026		44.41
	Total Noncontributory System active members	87,901		100.00%	92,392		100.00%
<b>Contributory Retirement System</b>	State of Utah	293	1	13.71%	325	1	13.95%
	South Jordan City	196	2	9.17	203	2	8.71
	Uintah County	168	3	7.86	187	3	8.03
	University of Utah	153	4	7.16	162	4	6.95
	Salt Lake City Corp.	104	5	4.87	112	6	4.81
	Granite School District	102	6	4.77	114	5	4.89
	DDI Vantage	94	7	4.40	91	8	3.91
	Duchesne County	82	8	3.84	104	7	4.46
	Salt Lake County	59	9	2.76	61	9	2.62
	Salt Lake School District	55	10	2.57	58	10	2.49
	Other	831		38.89	913		39.18
		Total Contributory System active members	2,137		100.00%	2,330	
<b>Public Safety Retirement System</b>	State of Utah	2,390	1	31.37%	2,380	1	31.22%
	Salt Lake County	540	2	7.09	547	2	7.17
	Salt Lake City Corp.	463	3	6.08	480	3	6.30
	Unified Police Department	329	4	4.32	293	4	3.84
	Weber County Corp.	249	5	3.27	246	5	3.23
	Utah County	236	6	3.10	233	6	3.06
	Davis County	208	7	2.73	209	7	2.74
	West Valley City	177	8	2.32	177	8	2.32
	Washington County	129	9	1.69	126	9	1.65
	Ogden City Corp	127	10	1.67	119	10	1.56
	Sandy City	—	—	—	—	—	—
	Other	2,771		36.36	2,814		36.91
	Total Public Safety System active members	7,619		100.00%	7,624		100.00%

*Additional information will be added when it becomes available.*



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
16,435	1	17.72%	16,979	1	18.14%	16,948	1	18.91%	16,664	1	19.11%
6,148	2	6.63	6,130	2	6.55	5,922	2	6.61	5,363	3	6.15
5,433	4	5.86	5,501	4	5.88	5,391	4	6.02	5,187	4	5.95
5,487	3	5.91	5,354	5	5.72	4,910	5	5.48	4,697	5	5.39
4,274	5	4.61	4,406	6	4.71	4,453	6	4.97	4,480	6	5.14
3,560	6	3.84	5,819	3	6.22	5,705	3	6.37	5,448	2	6.25
2,968	7	3.20	3,084	7	3.30	2,981	7	3.33	2,909	7	3.34
2,875	8	3.10	2,859	9	3.06	2,793	9	3.12	2,670	9	3.06
2,842	9	3.06	2,950	8	3.15	2,805	8	3.13	2,689	8	3.08
2,572	10	2.77	—	—	—	—	—	—	—	—	—
—	—	—	2,465	10	2.63	2,330	10	2.60	2,917	10	3.34
40,172		43.30	38,029		40.64	35,367		39.46	34,195		39.19
92,766		100.00%	93,576		100.00%	89,605		100.00%	87,219		100.00%
387	1	15.39%	435	1	15.86%	473	1	16.58%	508	1	16.88%
208	2	8.27	212	2	7.73	207	2	7.26	216	2	7.18
193	3	7.67	191	4	6.96	188	4	6.59	185	4	6.15
178	4	7.08	195	3	7.11	207	3	7.26	214	3	7.11
128	6	5.09	137	6	4.99	144	6	5.05	156	6	5.18
131	5	5.21	141	5	5.14	150	5	5.26	162	5	5.38
82	8	3.26	76	10	2.77	—	—	—	—	—	—
90	7	3.58	87	7	3.17	85	8	2.98	79	10	2.62
80	9	3.18	90	8	3.28	97	7	3.40	107	7	3.55
67	10	2.66	—	—	—	78	10	2.73	83	9	2.76
971		38.61	1,179		42.99	1,223		42.89	1,300		43.19
2,515		100.00%	2,743		100.00%	2,852		100.00%	3,010		100.00%
2,448	1	31.81%	2,592	1	32.84%	2,444	1	32.21%	2,468	1	33.02%
828	2	10.76	860	2	10.89	783	2	10.32	763	2	10.21
480	3	6.24	479	3	6.07	472	3	6.22	448	3	5.99
—	—	—	—	—	—	—	—	—	—	—	—
252	4	3.27	266	4	3.37	275	4	3.62	291	4	3.89
238	5	3.09	244	5	3.09	233	5	3.07	223	5	2.98
209	6	2.72	208	6	2.63	206	6	2.72	199	6	2.66
175	7	2.27	176	7	2.23	169	7	2.23	159	7	2.13
123	8	1.60	120	9	1.52	113	9	1.49	107	10	1.43
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
2,716		35.30	2,712		34.35	2,662		35.09	2,593		34.70
7,695		100.00%	7,894		100.00%	7,587		100.00%	7,474		100.00%

## Schedules of Principal Participating Employers (Continued)

Year Ended December 31

System	Employer	2011			2010		
		Active Members	Rank	Percent of Total Active Member	Active Members	Rank	Percent of Total Active Members
<b>Firefighters Retirement System</b>	Unified Fire Authority	404	1	20.91%	356	1	18.87%
	Salt Lake City Corp.	314	2	16.25	312	2	16.53
	Ogden City Corp.	110	3	5.69	111	3	5.88
	West Valley City	96	4	4.97	100	4	5.30
	Provo City	78	5	4.04	64	9	3.39
	Park City Fire Service	74	6	3.83	77	5	4.08
	City of West Jordan	73	7	3.78	73	6	3.87
	Sandy City	70	8	3.62	70	7	3.71
	Orem City	68	9	3.52	68	8	3.60
	Murray City	56	10	2.90	60	10	3.18
	Weber Fire District	—	—	—	—	—	—
	South Davis Metro Fire Agency	—	—	—	—	—	—
	Other	589		30.49	596		31.59
	Total Firefighters System active members	1,932		100.00%	1,887		100.00%
<b>Judges Retirement System</b>	State of Utah	111	1	100.00%	109	1	100.00%
<b>Utah Governors and Legislators Retirement Plan</b>	State of Utah	115	1	100.00%	125	1	100.00%
<b>Tier 2 Public Employees Retirement System</b>	State of Utah	600	1	12.56%			
	Alpine School District	574	2	12.02			
	Granite School District	336	3	7.03			
	University of Utah	323	4	6.76			
	Jordan School District	238	5	4.98			
	Davis School District	235	6	4.92			
	Provo School District	186	7	3.89			
	Canyons School District	177	8	3.71			
	Nebo School District	165	9	3.45			
	Salt Lake School District	165	10	3.45			
Other	1,778		37.23				
	Total Public Employees System active members	4,777		100.00%			
<b>Tier 2 Public Safety and Firefighters Retirement System</b>	Salt Lake County	17	1	17.17%			
	Park City Fire Service	8	2	8.08			
	Salt Lake City Corp.	6	3	6.06			
	Utah Country	5	4	5.05			
	Davis County	4	5	4.04			
	St. George City	4	6	4.04			
	Ogden City Corp	4	7	4.04			
	West Valley City	4	8	4.04			
	State of Utah	3	9	3.03			
	Grand County	3	10	3.03			
	Other	41		41.42			
	Total Tier 2 Public Safety and Firefighter System active members	99		100.00%			

Additional information will be added when it becomes available.

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
365	1	19.14%	352	1	19.04%	344	1	19.42%	229	2	13.60%
309	2	16.20	324	2	17.52	322	2	18.18	330	1	19.60
113	3	5.93	111	3	6.00	110	3	6.21	106	3	6.29
97	4	5.09	97	4	5.25	92	4	5.19	88	4	5.23
76	6	3.99	75	6	4.06	74	6	4.18	77	5	4.57
80	5	4.20	80	5	4.33	81	5	4.57	75	6	4.45
70	8	3.67	72	8	3.89	70	8	3.95	73	7	4.33
72	7	3.78	75	7	4.06	73	7	4.12	72	8	4.28
69	9	3.62	66	9	3.57	58	9	3.27	54	9	3.21
59	10	3.09	—	—	—	—	—	—	51	10	3.03
—	—	—	55	10	2.97	—	—	—	—	—	—
—	—	—	—	—	—	52	10	2.94	—	—	—
597		31.29	542		29.31	495		27.95	529		31.41
<hr/>			<hr/>			<hr/>			<hr/>		
1,907		100.00%	1,849		100.00%	1,771		100.00%	1,684		100.00%
<hr/>			<hr/>			<hr/>			<hr/>		
104	1	100.00%	106	1	100.00%	108	1	100.00%	106	1	100.00%
<hr/>			<hr/>			<hr/>			<hr/>		
119	1	100.00%	97	1	100.00%	97	1	100.00%	105	1	100.00%
<hr/>			<hr/>			<hr/>			<hr/>		

## Schedules of Utah Retirement Office Employees

Year Ended December 31, 2011

Year	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Number of Employees	161	161	165	164	156	154	156	160	156	148

# 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
<b>School Districts and Education Employers</b>							
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
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
Park City School District.....	N	C			T	D	K

Employer	N	C	PS	F	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
<b>State and Other Employers</b>							
Heber Valley Historic Railroad Authority.....	N				T		K
State of Utah (also participates in the Judges Retirement System and the Governors and Legislative 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	
<b>Counties and County Organizations</b>																								
Beaver County	N		PS		T	D	K	Enoch City	N		PS		T		K	North Logan City	N	C	PS	F	T		K	
Box Elder County	N	C	PS		T	D	K	Enterprise City	N			T		K	North Ogden City	N	C	PS	F	T				
Cache County	N	C	PS	F	T	D	K	Ephraim City	N		PS		T		K	North Salt Lake City	N		PS		T	D	K	
Carbon County	N	C	PS		T	D	K	Escalante Town	N		PS		T			Oakley City		C			T		K	
Daggett County	N		PS		T		K	Eureka City	N			T			Ogden City	N	C	PS	F	T	D	K		
Davis County	N		PS		T	D	K	Fairview City	N			T			Orangeville City	N				T			K	
Duchesne County		C	PS		T	D	K	Farmington City	N		PS	F	T		Orderville Town	N				T				
Emery County	N	C	PS		T	D	K	Farr West City	N			T	D	K	Orem City	N	C	PS	F	T	D	K		
Garfield County	N	C	PS		T	D	K	Ferron City	N			T		K	Panguitch City	N				T			K	
Grand County	N	C	PS		T		K	Fillmore City	N			T	D	K	Paragonah Town		C			T				
Iron County	N	C	PS		T	D	K	Fountain Green City	N		PS		T		Park City	N	C	PS		T				
Juab County	N	C	PS		T			Francis Town	N			T		K	Parowan City	N	C	PS		T			K	
Kane County	N		PS		T			Fruit Heights City	N			T		K	Payson City	N		PS	F	T			K	
Millard County	N	C	PS		T	D	K	Garden City	N			T		K	Perry City	N		PS	T				K	
Morgan County	N		PS		T		K	Garland City	N		C	PS		T	K	Plain City	N				T			K
Piute County	N		PS		T		K	Genola Town	N			T			Pleasant Grove City	N		PS	F	T				
Rich County		C	PS		T			Goshen Town	N			T			Pleasant View City	N	C	PS		T	D	K		
Salt Lake County	N	C	PS	F	T	D	K	Grantsville City	N		PS		T	D	K	Price City	N	C	PS	F	T		K	
San Juan County	N	C	PS		T	D	K	Green River City	N			T		K	Providence City	N				T			K	
Sanpete County	N	C	PS		T		K	Gunnison City	N		PS		T	D	K	Provo City	N	C	PS	F	T	D	K	
Sevier County	N	C	PS		T	D		Harrisville City	N	C	PS		T		K	Randolph Town	N				T			
Summit County	N	C	PS		T			Heber City	N		PS		T	D	K	Redmond Town	N				T			
Tooele County	N	C	PS	F	T	D	K	Helper City	N		PS		T		K	Richfield City	N	C	PS		T	D		
Uintah County		C	PS		T	D	K	Herriman City	N			T		K	Richmond City	N				T			K	
Unified Fire Authority	N		PS	F	T		K	Highland City	N			T	D	K	Riverdale City	N	C	PS	F	T		K		
Utah County	N	C	PS		T	D		Hinckley Town	N			T		K	Riverton City	N	C		F	T	D	K		
Wasatch County	N		PS		T		K	Holden Town	N			T			Roosevelt City	N				PS	F	T	D	K
Wasatch Co. Fire Dist	N			F	T		K	Holladay City	N			T		K	Roy City	N	C	PS	F	T	D	K		
Washington County	N		PS		T	D	K	Hooper City	N			T		K	Salem City	N		PS		T	D	K		
Wayne County	N		PS		T			Huntington City	N			T	D	K	Salina City	N		PS	T					
Weber County	N	C	PS		T	D	K	Hurricane City	N		PS	F	T	K	Salt Lake City	N	C	PS	F	T	D	K		
Weber Fire District		C		F	T	D	K	Hyde Park City	N			T		K	Sandy City	N	C	PS	F	T	D			
<b>Cities and Towns</b>																								
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	Kaysville City	N	C	PS		T		Smithfield City	N		PS	F	T			K	
Aurora City	N				T		K	LaVerkin City	N	C	PS		T	K	South Jordan City	N	C	PS	F	T			K	
Ballard City	N				T		K	Layton City	N	C	PS	F	T	D	South Ogden City	N		PS	F	T			K	
Beaver City	N				T		K	Lehi City	N	C	PS	F	T		South Salt Lake City	N		PS	F	T	D	K		
Bicknell Town	N				T			Levan Town	N			T			South Weber City	N				T			K	
Blanding City	N		PS		T		K	Lewiston City	N			T		K	Spanish Fork City	N		PS		T				
Bluffdale City	N	C	PS		T	D	K	Lindon City	N		PS		T	K	Spring City		C			PS				
Bountiful City	N	C	PS	F	T	D	K	Logan City	N	C	PS	F	T	D	K	Springdale Town	N		PS		T		K	
Brian Head Town	N		C	PS		T	D	Lone Peak Safety Dist	N		PS	F	T	K	Springville City	N	C	PS	F	T				
Brigham City	N	C	PS		T	D	K	Manila Town	N		C			T	K	St. George City	N	C	PS		T	D	K	
Castle Dale City	N				T			Manti City	N			T		K	Stockton Town	N				T				
Cedar City	N		PS	F	T		K	Mantua City	N		PS		T	K	Sunnyside City	N				T	D	K		
Cedar Hills City	N				T			Mapleton City	N		PS		T	K	Sunset City	N	C	PS		T	D	K		
Centerfield City	N		PS		T			Marriott/Slaterville City	N			T		K	Syracuse City	N		PS	F	T	D	K		
Centerville City	N	C	PS		T	D	K	Mayfield Town	N			T		K	Taylorsville City	N		PS		T			K	
Clearfield City	N		PS	F	T	D	K	Meadow Town	N			T		K	Tooele City	N	C	PS		T	D			
Cleveland Town	N				T			Mendon City	N			T			Torrey Town	N				T			K	
Clinton City	N	C	PS	F	T	D	K	Midvale City	N	C	PS	F	T	D	Tremonton City	N	C	PS		T	D	K		
Coalville City	N				T		K	Midway City	N	C			T	K	Uintah City	N				T			K	
Corinne City	N		C		T			Millford City	N		PS		T	K	Vernal City	N	C	PS		T			K	
Cottonwood								Millville City	N			T	D	K	Vineyard Town	N				T			K	
Heights City	N		PS		T	D	K	Minersville Town	N			T		K	Washington City	N			F	T			K	
Delta City	N	C			T		K	Moab City	N	C	PS		T	D	K	Washington								
Draper City	N				T		K	Monroe City	N			T		K	Terrace City	N		PS	F	T	D	K		
Duchesne City	N				T			Monticello City	N		PS		T		Wellington City	N		PS		T			K	
Eagle Mountain City	N			F	T			Morgan City	N			T		K	Wellsville City	N				T			K	
East Carbon City	N		PS		T	D	K	Moroni City	N			T			Wendover City	N		PS		T	D	K		
Elk Ridge Town	N				T		K	Mt Pleasant City	N	C	PS		T	K	West Bountiful City	N	C	PS		T			K	
Emery Town		C			T		K	Murray City	N	C	PS	F	T	D	K	West Haven City	N				T			K
								Myton City	N						West Jordan City	N	C	PS	F	T	D			
								Naples City	N	C	PS		T	K	West Point City	N				T			K	
								Nephi City	N		PS		T	D	K	West Valley City	N	C	PS	F	T			
								Nibley City	N			T		K	Willard City	N		PS		T				
															Woods Cross City	N	C	PS		T	D	K		

### Schedule of Participating Employers *(Continued)*

Employer	N	C	PS	F	T	D	K	Employer	N	C	PS	F	T	D	K
<b>Other Government Entities</b>								Jordan Valley Water Conservancy District ....	N	C			T	D	K
Ash Creek Special Service District .....	N				T	D	K	Jordanelle Special Service District.....	N				T		K
Ashley Valley Sewer Management Board .....	N				T			Kane Water Conservancy District.....	N				T		
Ashley Valley Water & Sewer .....	N				T			Kearns Improvement District .....	N	C			T		K
Bear Lake Special Service District.....	N				T		K	Leeds Area Special Service District .....				F	T		
Bear River Association of Governments .....	N				T	D	K	Maesar Water District .....	N				T		K
Bear River Health District .....	N	C			T	D	K	Magna Mosquito Abatement .....	N				T		K
Bear River Mental Health .....	N				T	D	K	Metro Water District—SLC/Sandy .....	N				T	D	K
Bear River Water Conservancy .....	N				T		K	Midvalley Improvement District .....	N				T	K	
Beaver County Special Service District .....	N				T		K	Military Installation Development Authority	N				T		K
Beaver Housing Authority.....	N				T		K	Millard Country Care and Rehabilitation, Inc .....	N				T		
Beaver Valley Hospital .....	N				T		K	Moab Valley Fire District .....	N			F	T		K
Benchland Water Company.....	N				T		K	Mountain Regional Water Special Service District .....	N				T		K
Bona Vista Water Improvement .....	N				T	D	K	Mountainland Association of Governments .....	N	C			T	D	K
Bountiful Water District .....	N				T	D	K	Nebo Credit Union.....	N				T		K
Box Elder County Mosquito District.....	N				T		K	North Davis County Sewer District.....	N	C			T		
Cache Metro Planning Organization.....	N				T			North Davis Fire District.....	N			F	T		
Castle Valley Special Service District .....	N	C			T		K	North East Counseling Center.....	N				T		K
Cedar City Housing Authority .....	N				T			North Emery Water Users Special Service District .....	N				T		
Cedar Mountain Fire Protection District.....	N			F	T		K	North Fork Special Service District .....	N				T		
Central Iron County Water Conservancy District .....	N				T		K	North Pointe Solid Waste Special Service District .....	N				T		K
Central Davis Sewer District .....	N				T	D	K	North View Fire Agency.....	N			F	T		
Central Utah Counseling Center .....	N				T		K	Oquirrh Recreation and Parks District.....	N				T		K
Central Utah Public Health .....	N				T		K	Park City Fire Service District .....	N			F	T		K
Central Utah Water District.....	N				T	D	K	Price River Water Improvement .....	N				T	D	K
Central Weber Sewer District .....	N	C			T	D	K	Provo Housing Authority .....	N				T		
Children's Aid Society—Utah .....	N				T		K	Provo River Water Users .....	N				T	D	K
Cottonwood Heights P&R Services .....	N				T	D	K	Roosevelt City Housing Authority .....	N				T		
Cottonwood Improvement District .....	N				T	D	K	Roy Water Conservancy District .....	N				T		K
Council on Aging — Golden Age Center Special Service Dist ...	N				T		K	Salt Lake City Library .....	N				T		K
Davis & Weber County Canal.....	C				T		K	Salt Lake City Mosquito Abatement .....	N				T		K
Davis Behavioral Health.....	N				T	D	K	Salt Lake City Sub. Sanitation #1 .....	N				T		K
Davis County Housing .....	C				T		K	Salt Lake County Service Area #3 .....	N				T	D	K
Davis County Mosquito Abatement.....	N				T		K	San Juan Mental Health/ Substance Abuse District.....	N				T		K
Davis County Solid Waste Management .....	N				T	D	K	Sandy Suburban Improvement District .....	N				T		K
DDI Advantage .....	C				T		K	Six-County Association of Governments.....	N	C			T	D	K
Duchesne County Mosquito District.....	C				T			Snyderville Basin.....	N	C			T	D	K
Duchesne County Water Conservancy Dist... East Duchesne Culinary Water Imp District .....	N				T		K	Solitude Improvement District.....	N				T		K
Emery County Care and Rehabilitation Center.....	C				T	D	K	South Davis County Sewer Improvement District .....	N	C			T	D	K
Emery County Recreation Special Service District .....	N				T		K	South Davis County Water Improvement District .....	N				T		K
Emery Water Conservancy District.....	N				T		K	South Davis Metro Fire Agency .....	N			F	T		K
Five-County Association of Governments ....	N	C			T	D	K	South Davis Recreation Center.....	N				T		
Four Corners Mental Health .....	N	C			T	D	K	South Ogden Conservancy District .....	N				T	D	K
Garden City Fire District .....				F	T		K	South Utah Valley Animal Services Special Service District.....	N				T		
Grand County Cemetery Maintenance Dist..	N				T		K	South Utah Valley Electric Service District ....	N				T		K
Grand County Solid Waste Management .....	N				T		K	South Utah Valley Solid Waste .....	N				T		K
Grand County Water Sewer /Service .....	N				T			South Valley Sewer District .....	N	C			T	D	K
Granger-Hunter Improvement District.....	N				T	D	K	South Valley Water Reclamation Facility.....	N				T		K
Gunnison Valley Hospital.....	N	C			T		K	Southeastern Utah Assoc. of Governments....	N	C			T	D	K
Heber Light & Power.....	N				T	D	K	Southeastern Utah Health .....	N	C			T		K
Heber Valley Special District .....	N				T			Southern Salt Lake Valley Mosquito Abatement .....	N				T		K
Hooper Water Improvement District.....	N				T			Southern Utah Valley Power System.....	N				T		K
Housing Authority of Carbon County .....	N				T		K	Southwest Center .....	N				T		K
Housing Authority of Ogden City.....	N				T			Southwest Utah Public Health Department...	N	C			T	D	K
Housing Authority of Salt Lake City.....	N	C			T		K	St. George Housing Authority .....	N				T		K
Housing Authority of Salt Lake County .....	N				T										
Hurricane Valley Fire Spec. Serv. District .....				F	T		K								
Impact Mitigation Special Service District.....	N				T		K								

**Schedule of Participating Employers (Continued)**

Employer	N	C	PS	F	T	D	K
Taylor West Weber Water Improvement Dist..	N						
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
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 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
<b>Total Participating Employers .....</b>	<b>460</b>						
Noncontributory .....	430						
Contributory .....	159						
Public Safety .....	130						
Firefighters.....	57						
Judges .....	1						
Governor and Legislative.....	1						
Tier 2 Public Employees .....	456						
Tier 2 Public Safety and Firefighters.....	145						
457 Plan.....	160						
401(k) Plan .....	375						

Employer	Employer
<b>Inactive Units with Retirees</b>	
American Fork Hospital	Salt Lake County Fair
Bay Area Refuse Disposal	Salt Lake School District Credit Union
Bear River Town	San Juan County Hospital
Bingham City	Six-County Economic Development
Box Elder County Nursing Home	Snow College South
Carbon County Hospital	South Davis Fire Department
Carbon Nursing Home	Southeastern Utah Economic Development
Cedar City Library	Statewide Assn of Prosecc
Central Utah Ed Ser	Sugarhouse Park Authority
Circleville	Summit Employment
Coalville Health Center	Summit Park Water Special Service District
College of Eastern Utah	Thomas Edison Charter School
Copperton Improvement District	Timpanogos Academy
Cottage Program	Tooele Council of Aging
Davis County Department of Human Services	Tooele Valley Hospital
Department of Employment Security	Trail Incorporated
Dixie Center at St. George	Twin Creeks Special Service District
Dixie Hospital	U of U Research Institute
East Layton	U S H Patients Funds
Emery Medical Center	Uintah Basin Counseling
Four Corners Regional Hospital	Uintah Basin Dist Health
Genola	Uintah Basin Medical Center
Golden Hours Homemaker	Uintah County Council on Aging
Grand County Road Special Service District	Uintah County Hospital
Hiawatha Town	USU Comm Credit Union
Honeyville Town	USU Community Credit Union
I W Allen Hospital	Ut Assn of Sec Sch Princ
Juab County Hospital	Utah College of Applied Technology
Kanosh Town Corporation	Utah County Council of Govt
Leeds Town	Utah Industries for the Blind
Marysvale Town	Utah Partnership for Education Economics
Metro Water District — Orem	Utah Technology Corporation
Metro Water District — Provo	Washington County Association for Retarded Citizens
Midvale Wastewater Treatment	Wasatch County Hospital
Midway Sanitation District	Wasatch County Special Service District #1
Milford Valley Hospital	Weber County Hospital
Morgan County Historical Society	Weber Economic Development Corp
Morgan County Library	Weber River Water Quality
Mountain America Credit Union	West Millard Hospital
Nebo Credit Union	West Millard Recreation
New Harmony Town	Woodland Hills City
Northern Utah Crime	
Payson City Hospital	
Pioneer Care Center	
Randolph Town	
Reg 2 Law Enforcement Plan Agency	

## Utah Retirement Systems

# A Highlight History 1907-2011

### 1907

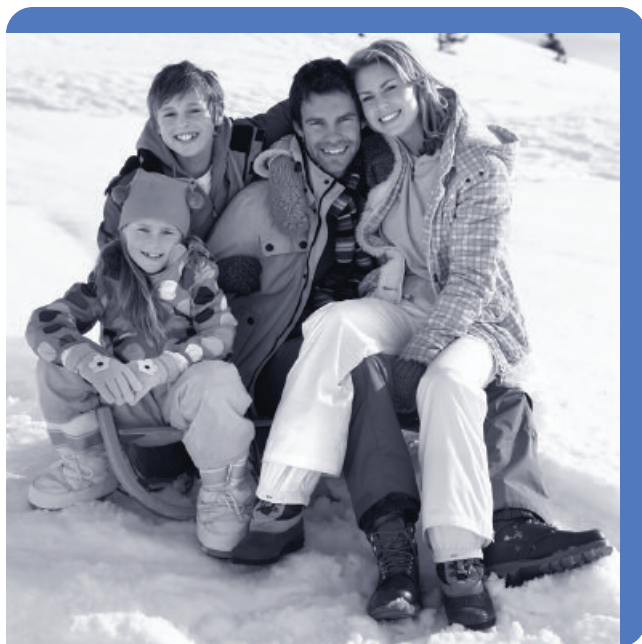
The Legislature authorizes the organization of local teacher retirement associations.

### 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.



## A Highlight History 1907-2011 *(Continued)*

### 1952

Ray Lillywhite resigns; Leonard W. McDonald is hired as 2nd 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.

### 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 would be uniform in each jurisdiction, but contribution rates would vary.

### 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 which 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 2nd worldwide among corporate and institutional newsletters.

Legislature affirms the Board's authority to define provisions and terms of the retirement code.

## A Highlight History 1907-2011 *(Continued)*

### 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.

### 1999

Members may buy up to 5 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 roll-overs 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](http://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.

# Systems and Plans Statistical Highlights

Year ended December 31, 2011

## 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
<b>Membership Information</b>									
<b>TOTAL MEMBERSHIP</b>	158,901	7,905	14,528	3,269	232	414	4,777	99	190,125
Active	87,901	2,137	7,619	1,932	111	115	4,777	99	104,691
Terminated vested	32,784	1,216	2,784	164	6	79	—	—	37,033
Retired	38,216	4,552	4,125	1,173	115	220	—	—	48,401
<b>TOTAL 2011 ACTIVE MEMBERS</b>	87,901	2,137	7,619	1,932	111	115	4,777	99	104,691
Average age	46.2	52.8	39.7	39.9	56.8	53.1	33.3	29.7	45.2
Average years of service	11.3	21.4	8.8	10.4	10.2	6.4	0.2	0.2	10.8
Average annual salary	\$ 43,308	48,806	47,329	55,240	132,615	NA	24,142	29,888	43,099
<b>2011 RETIREES</b>									
Number	2,629	177	157	32	4	7	—	—	3,006
Average age	63.5	61.3	53.9	56.1	62.9	65.5	—	—	62.8
Average years of service	20.7	27.2	21.8	25.8	18.3	13.5	—	—	21.2
Final average annual salary	\$ 47,374	44,745	58,709	70,481	127,992	NA	—	—	48,054
Average annual benefit	\$ 19,159	22,031	30,190	41,613	83,727	4,147	—	—	20,194
Average annual benefit —all retirees	\$ 20,618	13,777	27,182	31,874	72,696	3,151	—	—	20,851

## Financial Information

<b>CHANGES IN NET ASSETS</b>	<i>(in thousands)</i>								
Contributions	\$ 623,149	18,425	111,899	30,333	5,403	153	2,790	89	792,241
Investment income	401,105	26,009	52,655	19,218	3,114	231	9	—	502,341
Pension benefits	846,210	70,247	121,106	41,674	8,649	801	—	—	1,088,687
Net assets at market value	\$15,935,472	1,013,050	2,103,751	765,524	123,235	8,933	2,799	89	19,952,853

## Actuarial Information

<b>FUNDING PROGRESS</b>	<i>(dollars in thousands)</i>								
Actuarial value of assets	\$16,861,064	1,080,139	2,222,202	810,764	130,561	9,565	2,833	90	21,117,218
Actuarial accrued liability	\$21,516,510	1,278,272	3,044,707	926,634	175,763	11,722	2,806	90	26,956,504
Unfunded (overfunded) actuarial accrued liability	\$ 4,655,446	198,133	822,505	115,870	45,202	2,157	(27)	—	5,839,286
Funded ratios	78.4%	84.5%	73.0%	87.5%	74.3%	81.6%	101.0%	100.0%	78.3%

## Defined Contribution Plans

	401(k)	457	Roth IRA	Traditional IRA	Health Reimbursement Arrangement (HRA)	Total
<b>Membership Information</b>						
<b>NUMBER OF ACTIVE EMPLOYEES ELIGIBLE TO PARTICIPATE</b>	102,784	96,386	104,691	104,691	1,748	
Employee contributions (excluding employer contributions):						
Number of employees contributing	41,346	8,531	2,428	185	NA	
Percent of eligible employees contributing	40.2%	8.9%	2.3%	0.2%	NA	
Average percent of salary deferred by employees	5.8%	6.3%	3.9%	2.6%	NA	
Total participants	146,187	16,661	3,281	740	1,748	
Average participant account balance	\$ 19,708	19,288	7,437	40,558	5,213	
<b>Financial Information</b>						
<b>CHANGES IN NET ASSETS</b>	<i>(in thousands)</i>					<b>Total</b>
Contributions	\$ 210,592	26,441	6,619	7,346	4,264	255,262
Net investment income (loss)	(14,864)	(2,422)	(508)	(55)	17	(17,832)
Refunds	194,933	18,811	2,230	3,469	1,426	220,869
Total net assets	\$2,881,007	321,356	24,400	30,013	9,113	3,265,889



**Utah Retirement Systems** • 540 East 200 South • Salt Lake City • Utah 84102-2044 • [www.urs.org](http://www.urs.org)

Pictured on cover: BETSY SPECKETER, Women's Basketball Coach, Salt Lake Community College, Taylorsville Campus