

Utah Retirement Systems

A Component Unit of the State of Utah

2012 Comprehensive Annual Financial Report

for the Year Ended December 31, 2012



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



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Utah Retirement Systems

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Morrell
President

Jeffrey R. Emery
Executive Director



Public Pension Coordinating Council

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

Presented to

Utah Retirement Systems

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

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)

National Conference on Public Employee Retirement Systems (NCPERS)

National Council on Teacher Retirement (NCTR)

Alan H. Winkle

Alan H. Winkle
Program Administrator

Utah Retirement Systems

A Component Unit of the State of Utah

2012 Comprehensive Annual Financial Report

for the Year Ended December 31, 2012

Annual
Financial
Report



Noncontributory Retirement System

Contributory Retirement System

Public Safety Retirement System

Firefighters Retirement System

Judges Retirement System

Utah Governors and Legislators Retirement Plan

Tier 2 Public Employees Contributory Retirement System

Tier 2 Public Safety and Firefighters Contributory Retirement System

401(k) and 457 Plans

Roth and Traditional IRAs

Health Reimbursement Arrangement (HRA)

Prepared by: Finance Department • Utah Retirement Systems

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

www.urs.org

Robert V. Newman, Executive Director

Robert K. Kellersberger, Finance Director

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Systems and Plans Statistical Highlights

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Utah Retirement Systems
Comprehensive
Annual Financial Report



Introductory

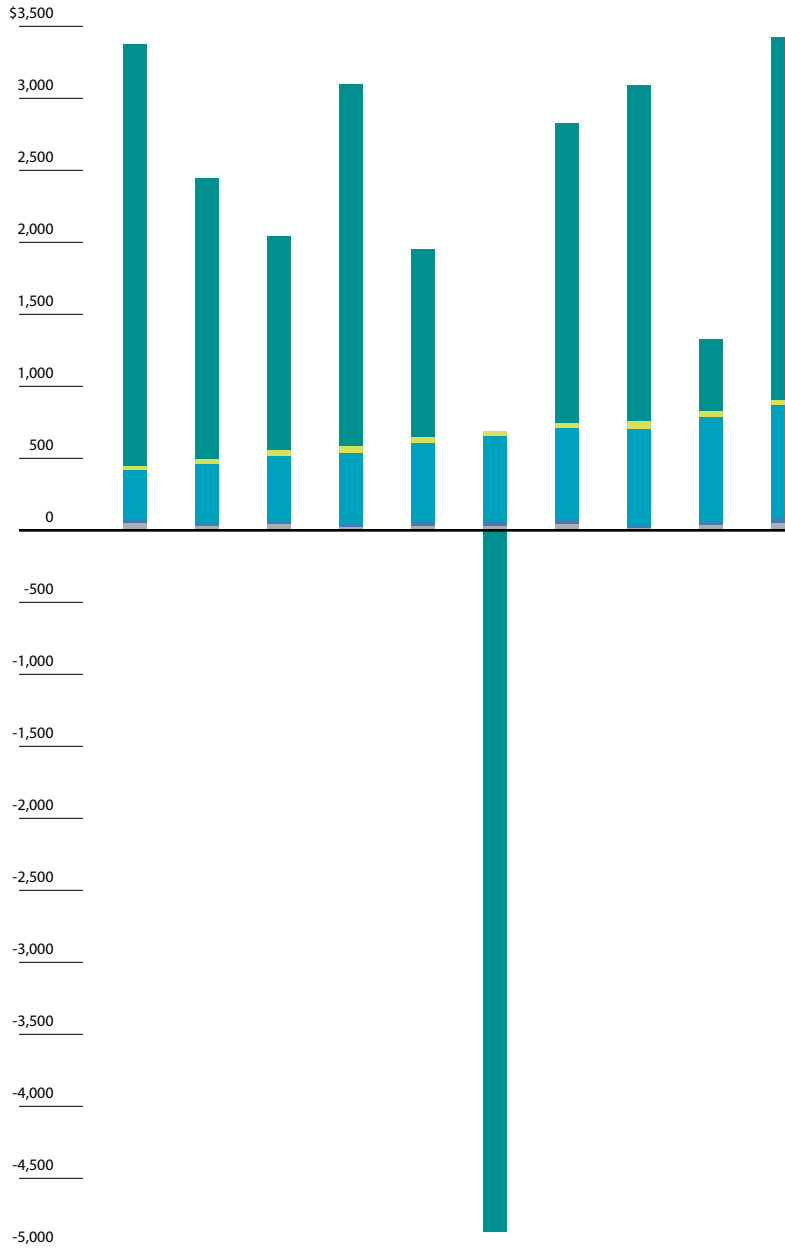
SECTION

- 5 Letter of Transmittal**
- 8 Board President's Letter**
- 9 Utah State Retirement Board**
- 10 Organization Chart and Administrative Staff**
- 11 Professional Consultants**
- 12 Systems' Highlights**

All Retirement Systems

Additions by Source

(in millions)



(in millions)

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

Utah Retirement Systems

Letter of Transmittal

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

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

April 19, 2013

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

Dear Board Members:

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

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

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

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

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

Letter of Transmittal *(Continued)*

Management's Discussion and Analysis

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

Actuarial

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

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

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

Financial Information

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived. This system includes written policies and procedures and an internal audit department that reports to the Board. Discussion and analysis of net assets and related additions and deductions is presented in the MD&A beginning on page 33.

Funding

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

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

Investments

The economic condition of the Systems is based primarily upon investment earnings. For 2012 the Systems experienced a 13.1% rate of return. The Systems' investments were evaluated at year end by Callan Associates Inc., Investment Measurement Service. A comparative analysis of rates of return is presented on page 112 of this report.

Letter of Transmittal *(Concluded)*

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

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

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

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utah Retirement Systems for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such financial reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Utah Retirement Systems has received a Certificate of Achievement for the last 28 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

In addition the Utah Retirement Systems was awarded the Public Pension Coordinating Council Public Pension Standards 2012 Award. This award is in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

Acknowledgments

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

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

Sincerely yours,



Robert K. Kellersberger, CGFM
Finance Director



Robert V. Newman
Executive Director

Utah Retirement Systems

Board President's Letter

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

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

April 19, 2013

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

Dear Members of the Retirement Systems:

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

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

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

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

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



Richard Ellis
President, Utah State Retirement Board

Back Row Left to Right

John L. Lunt

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

Scott G. Berryessa

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

Phillip W. Clinger

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

Edward T. Alter

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

Front Row Left to Right

Vice President

Sheri K. Nelson

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

Kathryn D. Jones-Price

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

President

Richard K. Ellis

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

Executive Director



Robert V. Newman

Retirement Board



Membership Council

Executive Council Members:

Chairperson

Mr. Dean Drew

Represents Utah Public
Employees' Association

Vice Chairperson

Mr. Michael McDonough

Represents Utah
Education Association

Honorable Gregory Orme

Represents Utah
Judicial Council

Mr. Marty Peterson

Represents Professional
Firefighters of Utah

Ms. Lori Todd

Represents Utah School
Employees' Association

Council Members:

Mr. Fred Ash

Represents Utah Retired School Employees' Association

Representative Brad Dee

Represents Utah Association of Counties

Mr. Brian Gough

Represents Utah Public Employees' Association

Senior Trooper Arlow Hancock

Represents Utah Peace Officers' Association

Mr. Tom Hardy

Represents Utah League of Cities and Towns

Ms. Debra McBride

Represents Utah Association of Retired Public Employees

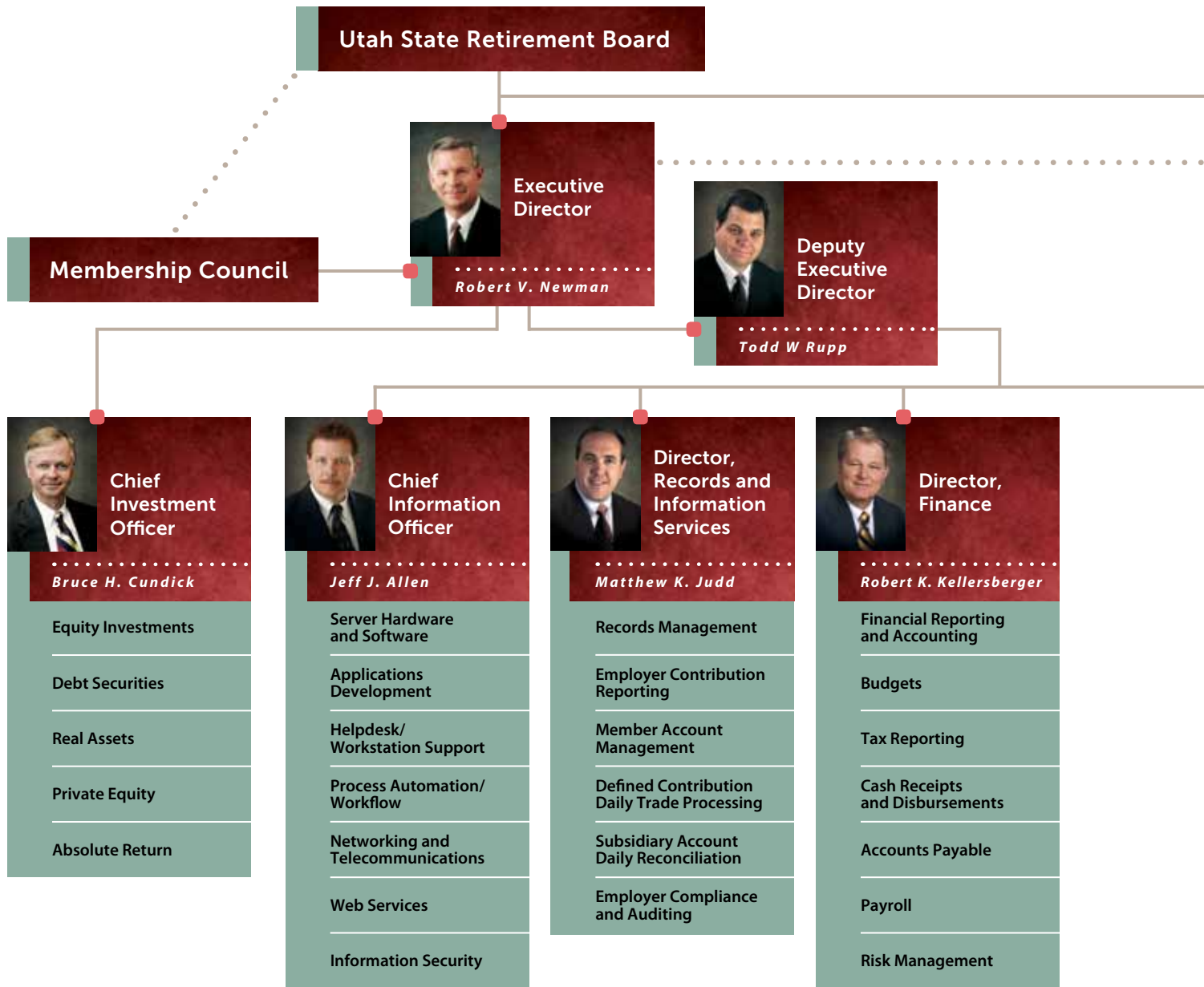
Mr. Tom Nedreberg

Represents Utah Education Association

Mr. Anthony Romanello

Represents Utah Education Association

Organization Chart



Administrative Staff

Robert V. Newman, CPA
Executive Director

Todd W Rupp, CPA
Deputy Executive Director

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

Bruce H. Cundick, CFA
Chief Investment Officer

Jeff J. Allen
Chief Information Officer

Matthew K. Judd
Director, Records and Information Services

Robert K. Kellersberger, CGFM
Director, Finance

Jeana L. Woffinden, SPHR
Director, Human Resources

Judy C. Lund
Director, Retirement

Craige D. Stone
Director, Defined Contribution Savings Plans

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



**Director,
Internal
Audit**

.....
Steven M. West

Professional Services

Actuary

Auditor

Legal Consultants

Investment Advisors

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



**Director,
Defined
Contribution
Savings Plans**

.....
Craig D. Stone

401(k) Plan

457 Plan

Traditional IRA

Roth IRA

Health Reimbursement Arrangement (HRA)



**Director,
Human
Resources**

.....
Jeana L. Woffinden

Human Resources

Safety/Security



**Director,
Retirement**

.....
Judy C. Lund


Retirement Benefits

Death Benefits

Redeposits and Purchases

Refunds

Branch Office



**Chief
Compliance
Officer —
Investments**

.....
Ed K. Archer

Investment Compliance

Proxy Voting

Professional Consultants

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

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

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

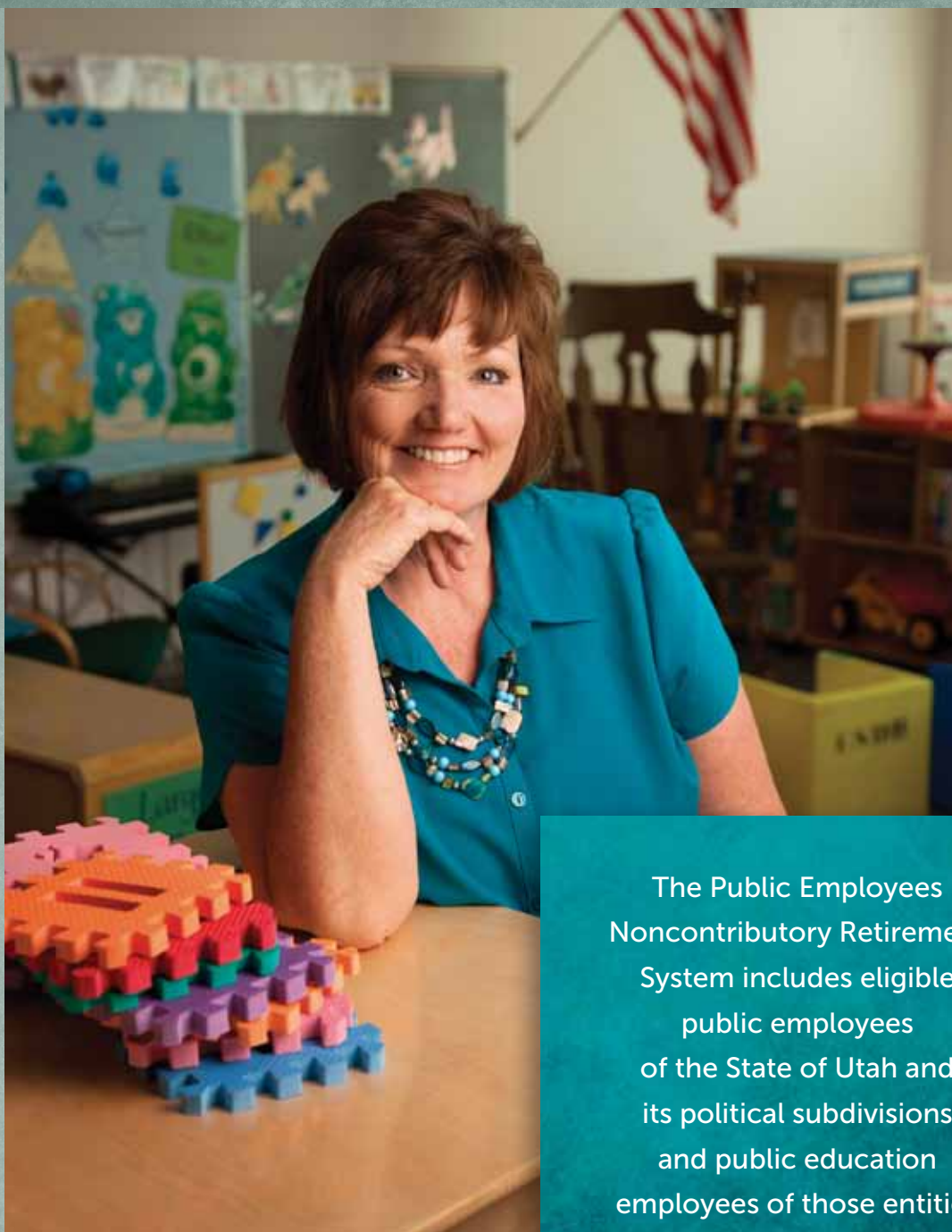
Other Consultants
Aon Global Risk Consulting
1901 Main Street, Suite 300
Irvine, CA 92614

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

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

Noncontributory

Retirement System Highlights



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

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

Noncontributory Retirement System Highlights

Composite Picture

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

2012 Retirees

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

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

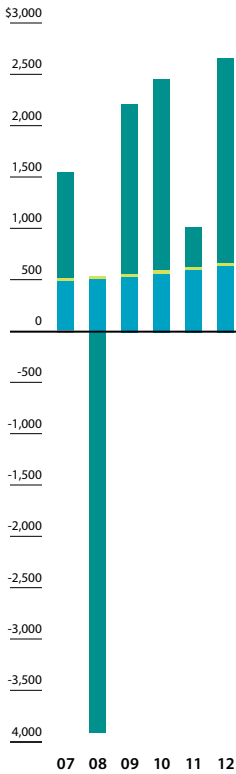
Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2012)

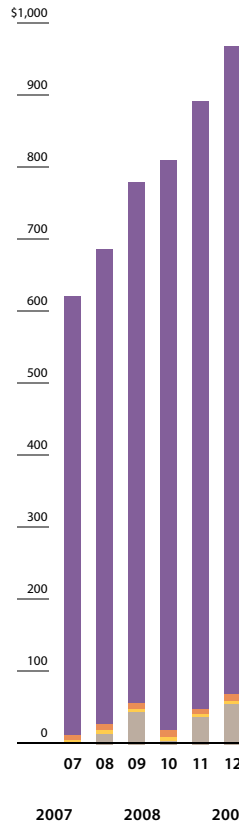
Employer rate for the State and School Division (Level A) is 18.76% of covered salary and 16.04% for the Local Government Division (Level B).

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

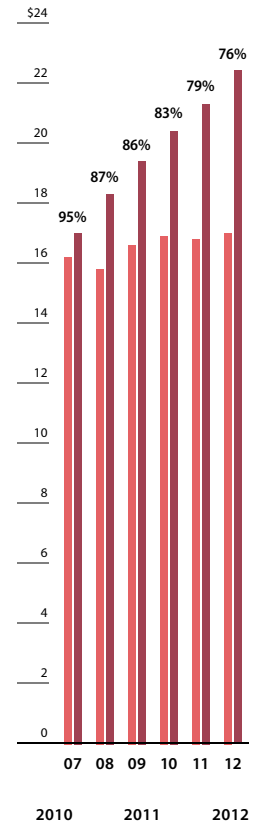
Additions by Source
(in millions)



Deductions by Type
(in millions)



Funding Progress with Funding Ratios
(dollars in billions)



Additions by Source (in millions)

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

Deductions by Type (in millions)

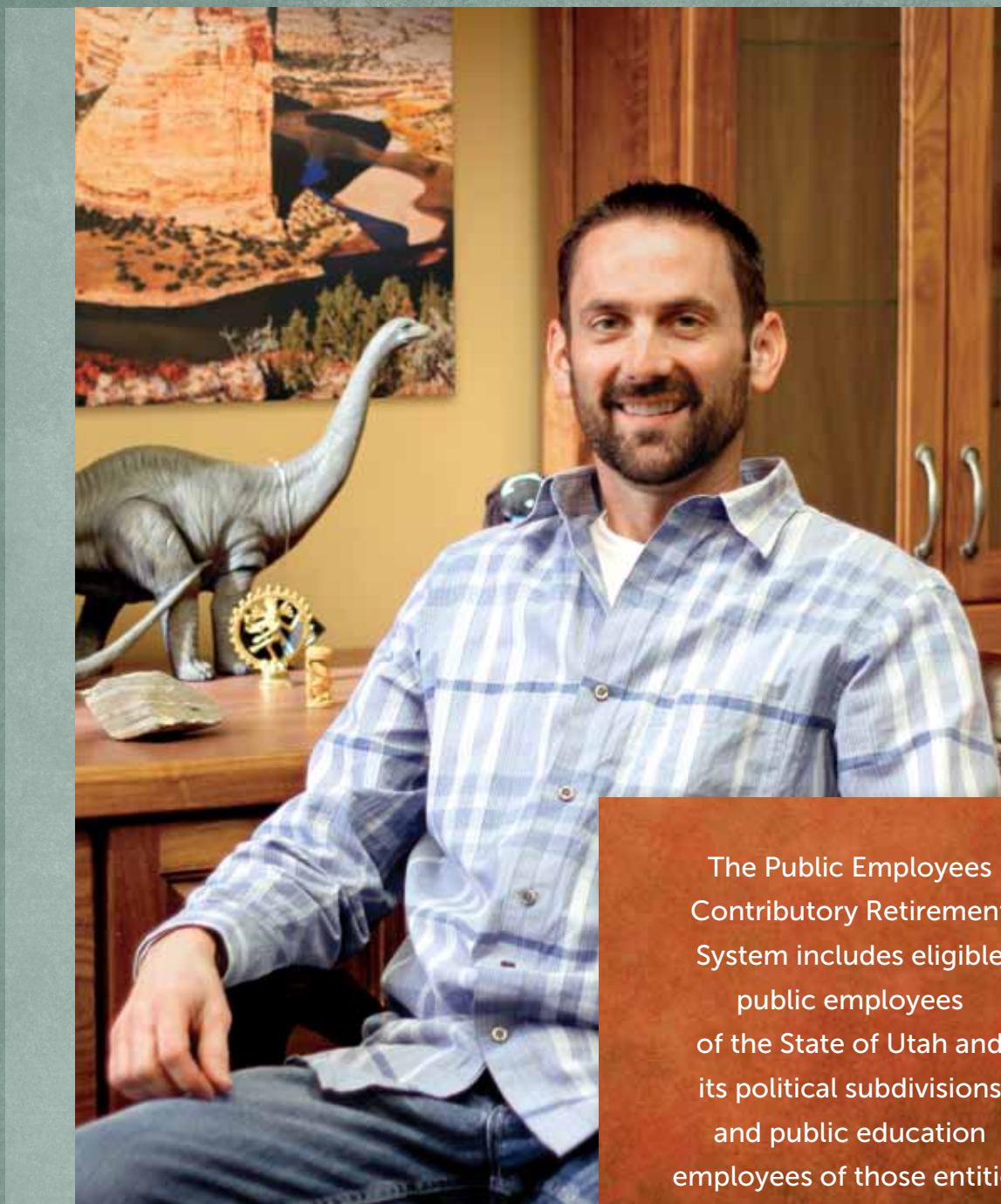
	2007	2008	2009	2010	2011	2012
Benefit payments	\$ 609.5	659.8	723.1	793.8	843.7	900.1
Administrative expense	8.3	8.8	8.3	8.4	7.3	8.4
Refunds	3.4	2.5	2.9	3.6	2.5	2.9
Transfers to systems	—	14.5	44.4	3.2	37.5	55.6
Totals	\$ 621.2	685.6	778.7	809.0	891.0	967.0

Funding Progress (dollars in billions)

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

Contributory

Retirement System Highlights



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

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

Contributory Retirement System Highlights

Composite Picture

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

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

2012 Retirees

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

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

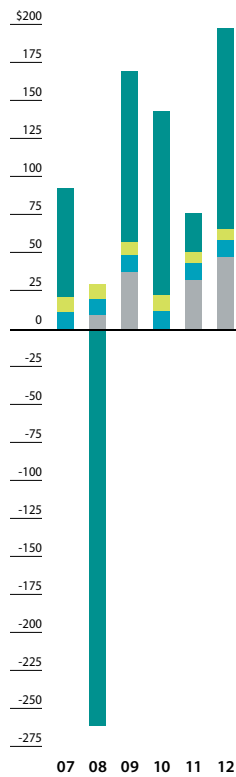
Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2012)

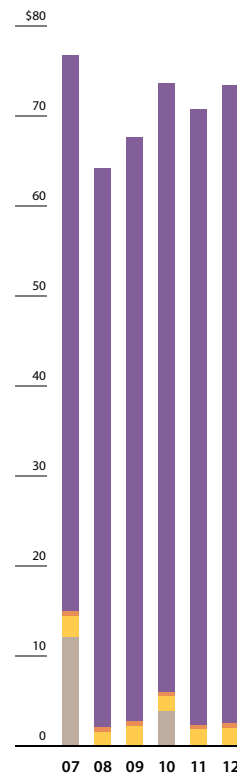
Member rate is 6.00% of covered salary. Employer rate for State and School Division (Level A) is 14.27% of covered salary and 12.03% for the Local Government Division (Level B).

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

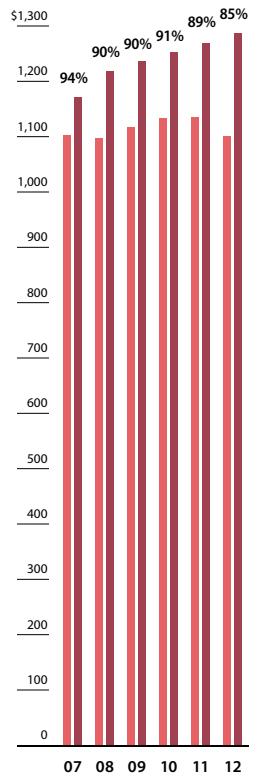
Additions by Source
(in millions)



Deductions by Type
(in millions)



Funding Progress with Funding Ratios
(dollars in millions)



Additions by Source (in millions)

	2007	2008	2009	2010	2011	2012
Investment income (loss)	\$ 71.6	(261.2)	112.6	121.2	26.0	131.2
Member contributions	9.7	9.4	8.7	10.3	7.3	7.0
Employer contributions	11.2	11.0	10.9	11.9	11.1	11.7
Transfers from systems	—	9.0	37.6	—	32.1	47.1
Totals	\$ 92.5	(231.8)	169.8	143.4	76.5	197.0

Deductions by Type (in millions)

	2007	2008	2009	2010	2011	2012
Benefit payments	\$ 61.7	62.1	64.8	67.6	68.4	70.9
Administrative expense	0.6	0.6	0.6	0.5	0.4	0.5
Refunds	2.3	1.5	2.2	1.6	1.9	2.0
Transfers to systems	12.1	—	—	3.9	—	—
Totals	\$ 76.7	64.2	67.6	73.6	70.7	73.4

Funding Progress (dollars in millions)

	2007	2008	2009	2010	2011	2012
Actuarial value of assets	\$1,102.1	1,097.7	1,116.7	1,132.7	1,135.3	1,094.9
Accrued actuarial liability	\$1,170.3	1,218.6	1,236.0	1,251.4	1,269.0	1,286.0
Funding ratios	94%	90%	90%	91%	89%	85%

Public Safety

Retirement System Highlights



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

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

Public Safety Retirement System Highlights

Composite Picture

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

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

2012 Retirees

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

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

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

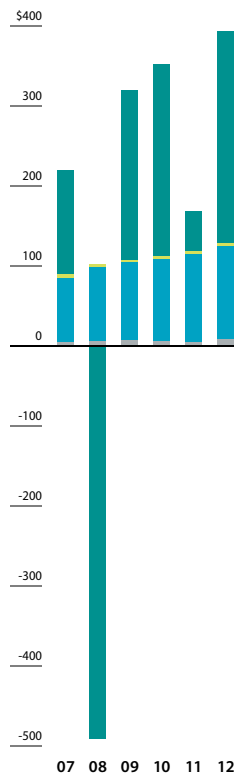
Contribution Rates (as of 12-31-2012)

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

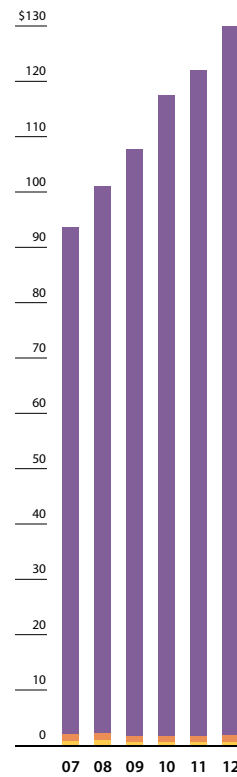
Contributory — Member rates range from 10.50% to 12.29% of covered salary. Employer rates range from 19.08% to 27.95% of covered salary.

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

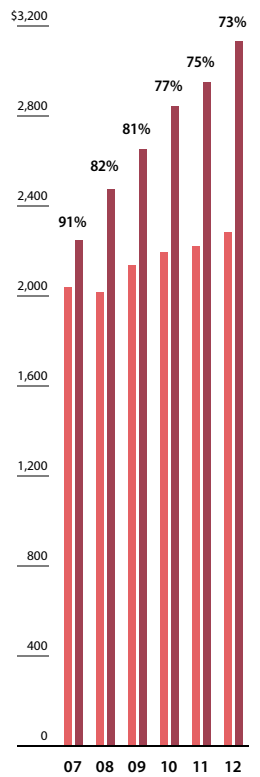
Additions by Source
(in millions)



Deductions by Type
(in millions)



Funding Progress with Funding Ratios
(dollars in millions)



Additions by Source (in millions)

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

Deductions by Type (in millions)

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

Funding Progress (dollars in millions)

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

Firefighters

Retirement System Highlights



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

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

Firefighters Retirement System Highlights

Composite Picture

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

2012 Retirees

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

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

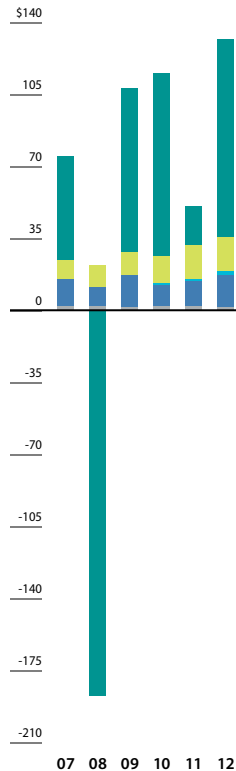
Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2012)

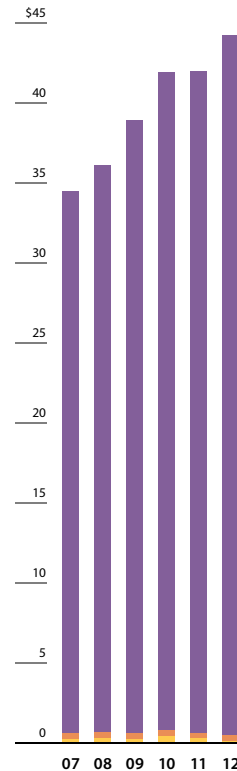
Member rate for Division A (with Social Security) is 15.05% of covered salary and 16.71% for Division B (without Social Security). Employer rate for Division A is 2.66% of covered salary and 2.08% for Division B.

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

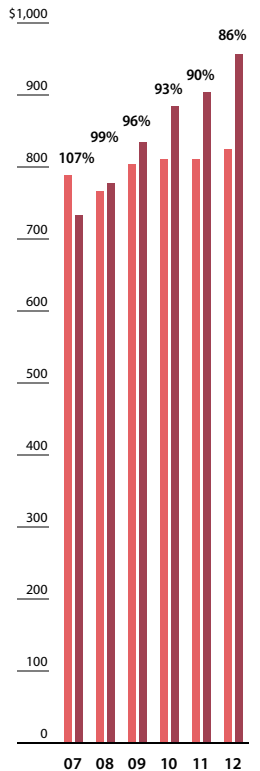
Additions by Source
(in millions)



Deductions by Type
(in millions)



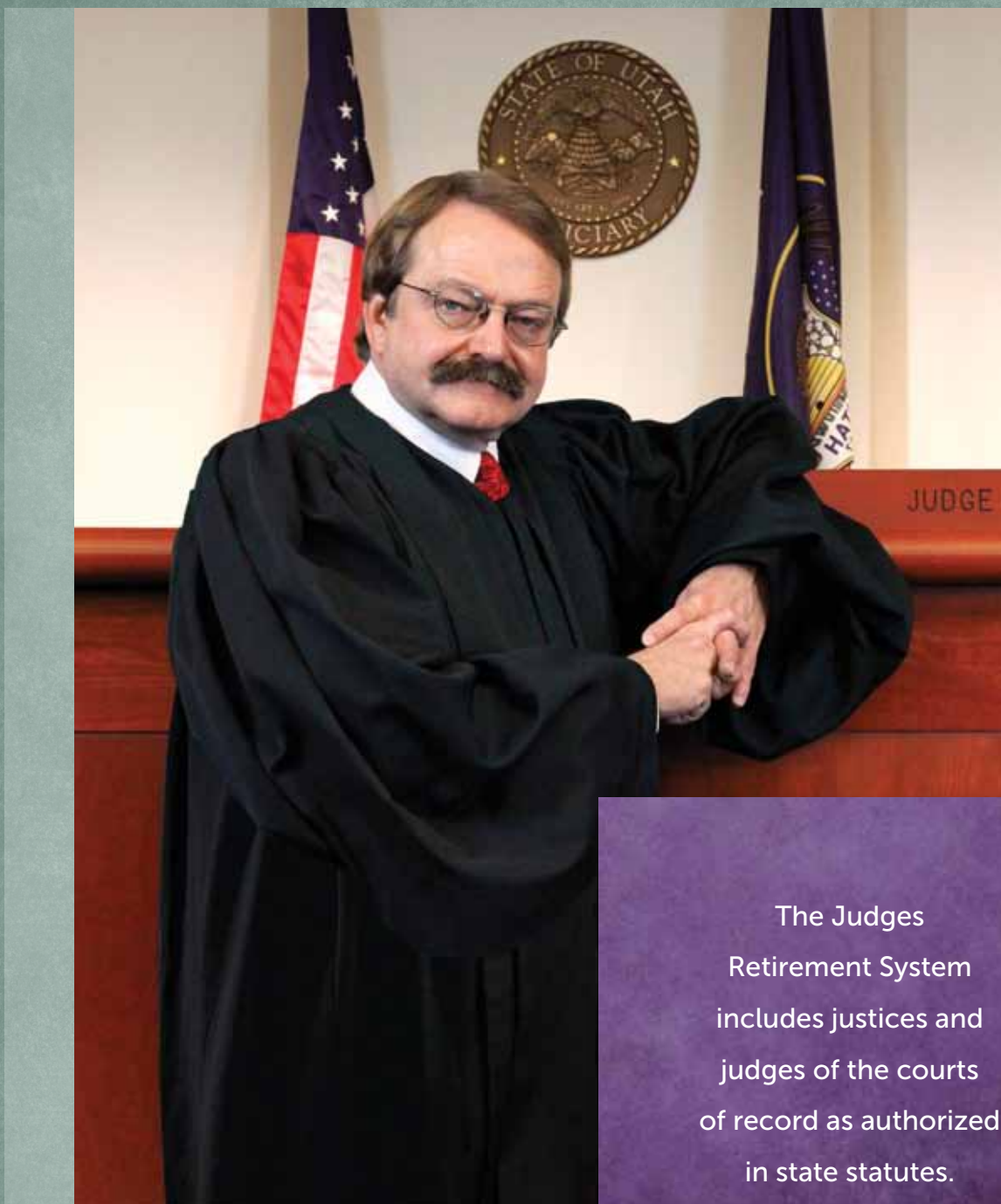
Funding Progress with Funding Ratios
(dollars in millions)



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

Judges

Retirement System Highlights



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

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

Judges Retirement System Highlights

Composite Picture

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

2012 Retirees

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

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

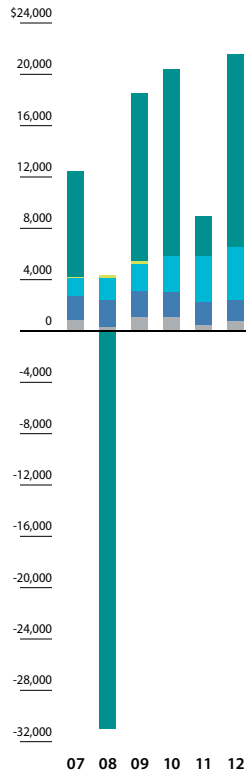
Up to 4% compounded annually.

Contribution Rates (as of 12-31-2012)

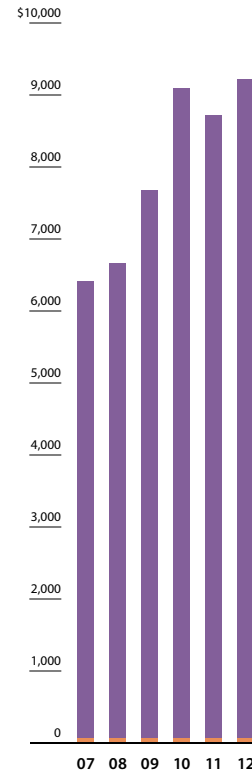
Employer rate is 32.87% of covered salary.

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

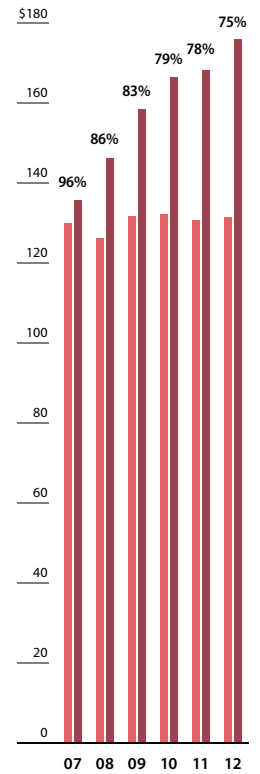
Additions by Source
(in thousands)



Deductions by Type
(in thousands)



Funding Progress with Funding Ratios
(dollars in millions)



Additions by Source (in thousands)

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

Deductions by Type (in thousands)

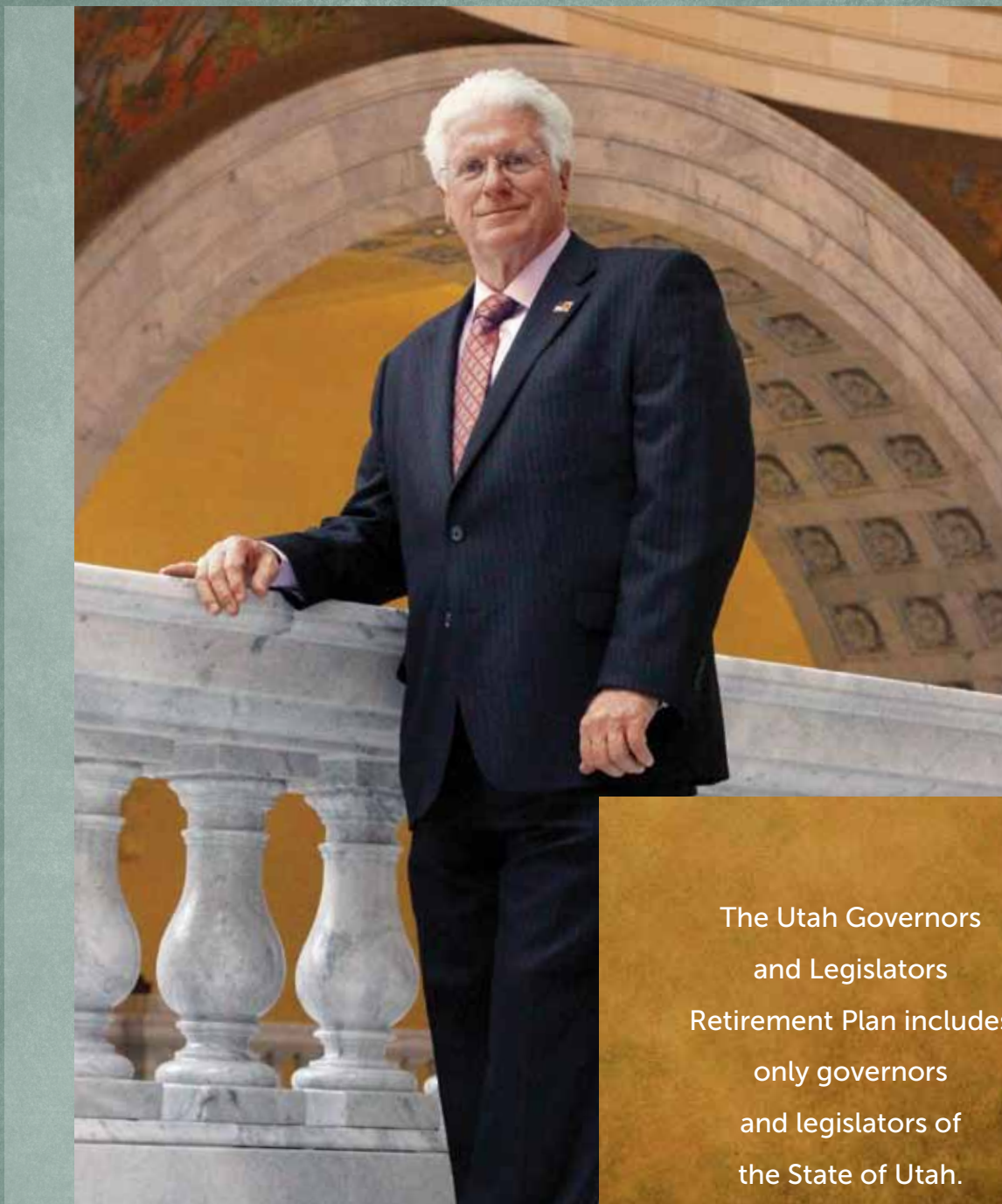
	2007	2008	2009	2010	2011	2012
Benefit payments	\$ 6,335	6,580	7,595	9,010	8,649	9,135
Administrative expense	65	70	66	69	60	66
Totals	\$ 6,400	6,650	7,661	9,079	8,709	9,201

Funding Progress (dollars in millions)

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

Utah Governors and Legislators

Retirement Plan Highlights



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

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

Utah Governors and Legislators Retirement Plan Highlights

Composite Picture

Total Membership	418
Active	113
Terminated vested	81
Retired	224
2012 Active Members	113
Average age	53.4
Average years of service	6.7
Average annual salary	NA

2012 Retirees

Number	8
Average age	65.4
Average years of service	7.2
Final average annual salary	NA
Average annual benefit	\$2,264
Average annual benefit — all retirees	\$3,160

Service Retirement

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

Service Benefit Formula

Governors — \$500*per month per term.

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

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

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

Cost-of-Living Allowance

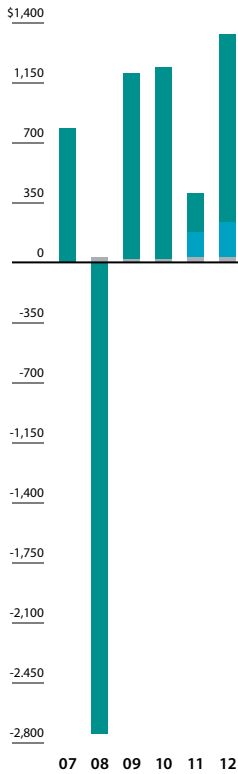
Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2012)

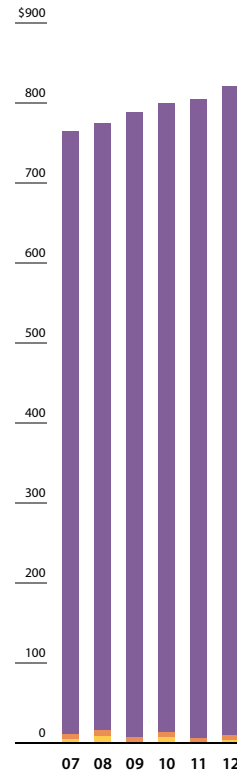
There was a 2011-12 appropriation payable by June 30, 2012, to the Utah Governors and Legislators Retirement Plan of \$214,076.

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

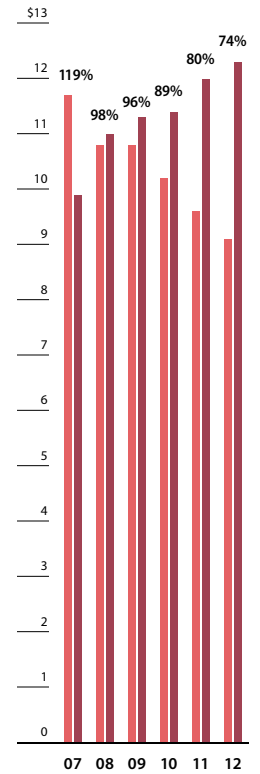
Additions by Source
(in thousands)



Deductions by Type
(in thousands)



Funding Progress with Funding Ratios
(dollars in millions)



Additions by Source (in thousands)

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

Deductions by Type (in thousands)

Benefit payments	\$ 758	763	784	790	801	815
Administrative expense	5	5	5	5	4	5
Refunds	2	7	—	5	—	1
Totals	\$ 765	775	789	800	805	821

Funding Progress (dollars in millions)

Actuarial value of assets	\$ 11.7	10.8	10.8	10.2	9.6	9.1
Accrued actuarial liability	\$ 9.9	11.0	11.3	11.5	12.0	12.3
Funding ratios	119%	98%	96%	89%	80%	74%

Tier 2 Public Employees

Contributory Retirement System Highlights



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

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

Tier 2 Public Employees Contributory Retirement System Highlights

Composite Picture

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

2012 Retirees

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

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

Up to 2.5% annually on original retirement benefit.

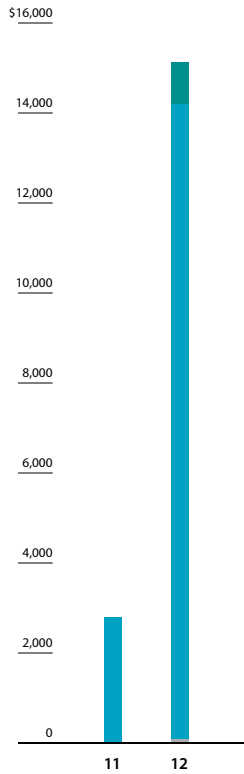
Contribution Rates (as of 12-31-2012)

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

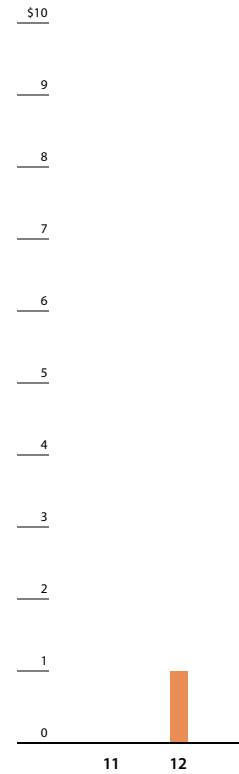
(Includes active member death benefit and Tier 1 amortization rate.)

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

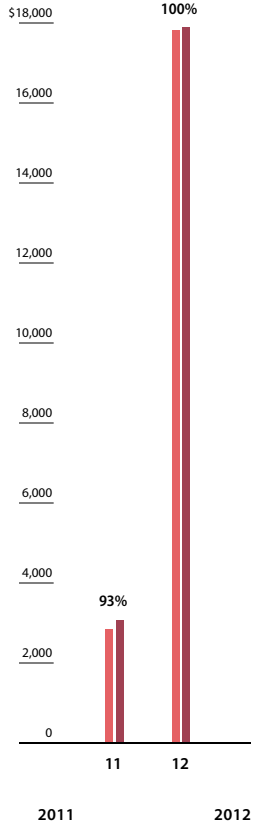
Additions by Source
(in thousands)



Deductions by Type
(in thousands)



Funding Progress with Funding Ratios
(dollars in thousands)



Additions by Source (in thousands)

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

Deductions by Type* (in thousands)

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

Funding Progress (dollars in thousands)

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

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

Tier 2 Public Safety and Firefighters

Contributory Retirement System Highlights



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

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

Tier 2 Public Safety and Firefighters Contributory Retirement System Highlights

Composite Picture

Total Membership	477
Active	477
Terminated vested	—
Retired	—

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

2012 Retirees

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

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

Up to 2.5% annually on original retirement benefit.

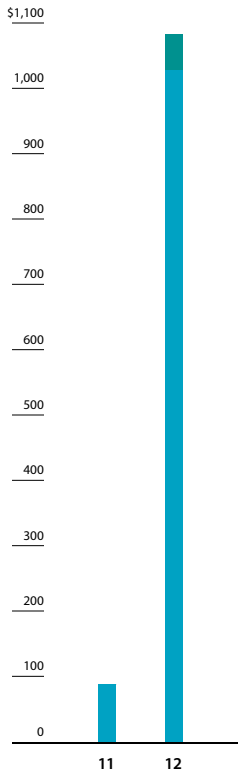
Contribution Rates (as of 12-31-2012)

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

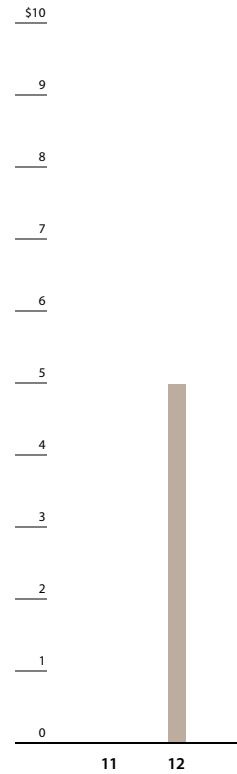
(Includes active member death benefit and Tier 1 amortization rate.)

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

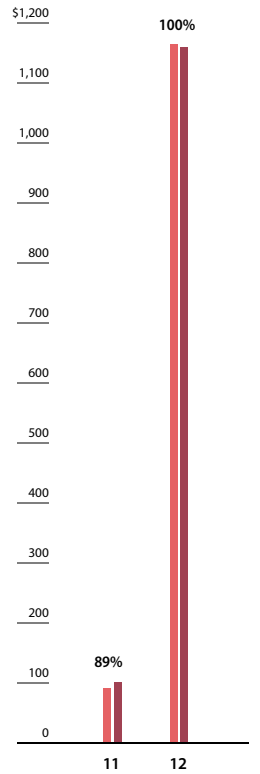
Additions by Source
(in thousands)



Deductions by Type
(in thousands)



Funding Progress with Funding Ratios
(dollars in thousands)



Additions by Source (in thousands)

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

Deductions by Type* (in thousands)

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

Funding Progress (dollars in thousands)

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

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

Defined Contribution Savings Plans Highlights

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

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

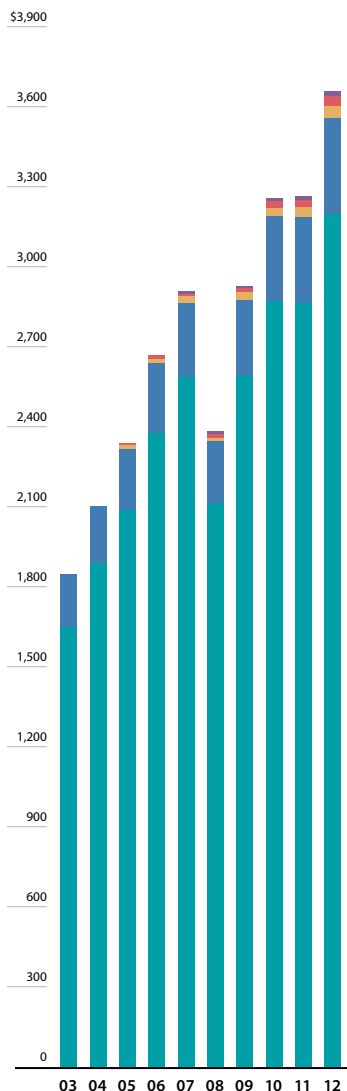
Each year the number of employees participating in these plans increases. Individuals may participate in more than one plan. As of December 31, 2012, the number of participants by investment plan was as shown below.

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

The Plans provide the following benefits:

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

Defined Contributions Member Balances
(in millions)



Membership Information

at December 31, 2012

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

Defined Contributions Member Balances

at December 31, 2012

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

Utah Retirement Systems
Comprehensive
Annual Financial Report



Financial
SECTION

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Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

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Utah State Retirement Board:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

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

Emphasis of Matter

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

Report on Summarized Comparative Information

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

Independent Auditors' Report *(Concluded)*

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

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

Deloitte & Touche LLP

April 19, 2013



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

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Utah State Retirement Board:

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

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

April 19, 2013

Utah Retirement Systems

Management's Discussion and Analysis



Introduction

MD&A

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



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

Financial Highlights

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

Management's Discussion and Analysis *(Continued)*

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



Overview of the Financial Statements

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

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

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

1) Basic Financial Statements

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

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

2) Notes to the Basic Financial Statements

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

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



Management's Discussion and Analysis *(Continued)*

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

3) Required Supplementary Information

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

4) Other Supplementary Schedules

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



Financial Analysis of the Systems—Defined Benefit Plans

Investments

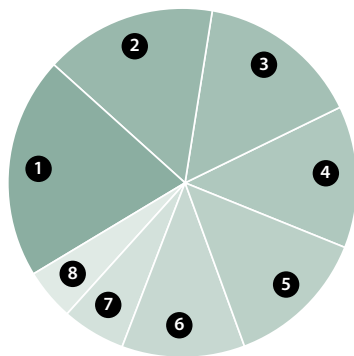
Investments of the URS Defined Benefit Systems are combined in a commingled investment pool as authorized by state statute. Each system owns an equity position in the pool and receives proportionate investment income from the pool in accordance with each respective ownership percentage.

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

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

Management’s Discussion and Analysis (Continued)

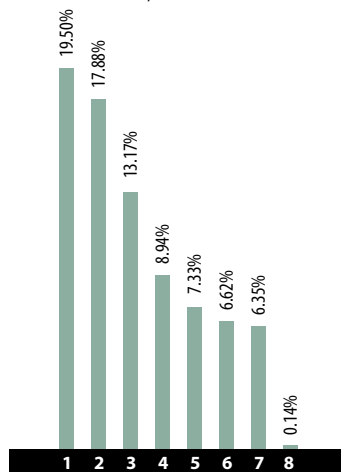
Defined Benefit Systems Investments at Fair Value



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

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

(in percents)



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

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

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

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

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

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

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

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

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

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

Management's Discussion and Analysis *(Continued)*



Analysis of the Defined Benefit Systems

Noncontributory System

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

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

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

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

Contributory System

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

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

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



Management's Discussion and Analysis *(Continued)*



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

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

Public Safety System

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

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

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

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

Firefighters System

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

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



Management's Discussion and Analysis *(Continued)*



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

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

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

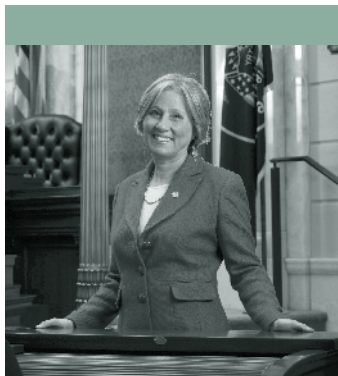
Judges System

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

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

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

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



Utah Governors and Legislators Retirement Plan

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

Management's Discussion and Analysis *(Continued)*

Fiduciary Net Assets Pension Trust Funds — Defined Benefit Plans

December 31

(dollars in thousands)

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

(dollars in thousands)

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

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

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

Management's Discussion and Analysis *(Continued)*

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



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

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

Tier 2 Public Employees System

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

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

Management's Discussion and Analysis *(Continued)*

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

Year Ended December 31

(dollars in thousands)

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

(dollars in thousands)

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

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

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

Management's Discussion and Analysis *(Continued)*

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



Tier 2 Public Safety and Firefighters System

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

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

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

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

Management's Discussion and Analysis *(Continued)*

Actuarial Valuations and Funding Progress

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

investment returns over the previous five years.

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

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



Analysis of the Defined Contribution Savings Plans

401(k) Defined Contribution Plan

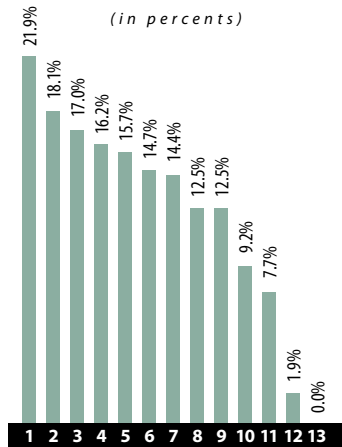
The 401(k) Plan is established under section 401(k) of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits as of December 31, 2012, amounted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

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

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

Management’s Discussion and Analysis (Continued)

Defined Contribution Savings Plans Investment Option Rates of Return for 2012
(in percents)



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

Defined Contribution Comparative Annualized Rates of Return

December 31, 2012

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

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

457 Defined Contribution Plan

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

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

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

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

Roth IRA Plan

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

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

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

Traditional IRA Plan

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

Management's Discussion and Analysis *(Continued)*

Fiduciary Net Assets — Defined Contribution Savings Plans

Year Ended December 31

(dollars in thousands)

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

Changes in Fiduciary Net Assets — Defined Contribution Savings Plans

Year Ended December 31

(dollars in thousands)

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



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

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

Health Reimbursement Arrangement

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

Management's Discussion and Analysis *(Concluded)*

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

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

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

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

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

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

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

Utah Retirement Systems

Basic Financial Statements

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

December 31, 2012

With Comparative Totals

for December 31, 2011

(in thousands)

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

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

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

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

Year Ended December 31, 2012

With Comparative Totals for

Year Ended December 31, 2011

(in thousands)

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

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

Utah Retirement Systems

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

Utah Retirement Systems

Notes to Basic Financial Statements

December 31, 2012



Note 1 Description of Systems and Plans

1

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

A) General Information and Reporting Entity

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

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

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

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

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



Notes to the Basic Financial Statements (Continued)

December 31, 2012



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

B) Retirement and Death Benefits

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

The Utah Governors and Legislators Retirement Plan provides the following benefits. Former governors at age 65 receive \$1,280 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$28.00 per month per year of service. Retirement at age 62 with 10 or more years of service will receive an actuarial reduction. Both the governors' and legislators' benefits are adjusted based on the Consumer Price Index (CPI) limited to 4% of the base benefit per year.

Death benefits for active and retired employees are in accordance with retirement statutes. Upon termination of employment, members of the Systems may leave their retirement account intact for future benefits based on vesting qualification or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based.

C) Defined Contribution Plans

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

Summary of Benefits by System

	Noncontributory System	Contributory System	Public Safety System	Fire-fighters System	Judges System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Final average salary is	Highest 3 years	Highest 5 years	Highest 3 years	Highest 3 years	Highest 2 years	Highest 5 years	Highest 5 years
Years of service required and/or age eligible for benefit	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	20 years any age 10 years age 60 4 years age 65	20 years any age 10 years age 60 4 years age 65	25 years any age 20 years age 55* 10 years age 62 6 years age 70	35 years any age 20 years age 60 10 years age 62 4 years age 65	25 years any age 20 years age 60 10 years age 62 4 years age 65
Benefit percent per year of service**	2.0% per year all years	1.25% per year to June 1975 2.0% per year July 1975 to present	2.5% per year up to 20 years 2.0% per year over 20 years	2.5% per year up to 20 years 2.0% per year over 20 years	5.0% first 10 years 2.25% second 10 years 1.0% over 20 years	1.5% per year all years	1.5% per year all years

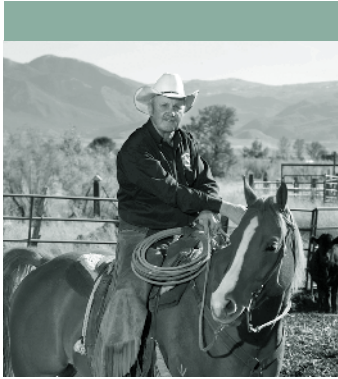
Note: The Utah Governors and Legislators Retirement Plan benefits are explained in the second paragraph of section B) above.

*With actuarial reductions.

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

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012



Defined Contribution Plans

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

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

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

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

D) Contributions

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

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

In the 401(k) and 457 Defined Contribution Plans, voluntary deferral of compensation within the limits of plan provisions may be made by employees. In addition to employee voluntary deferrals, employer contributions may be made into the Plans on behalf of employees. The recognition of deferred compensation, employer contributions, and earnings on the accounts are deferred for income tax purposes until actually paid to the participant or beneficiary. The employee may also contribute to the Roth and traditional deemed IRAs where earnings may grow tax deferred and possibly tax free.

E) Covered Employees

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Participating Membership by System

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



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

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012



Note 2

Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Systems and Plans:

A) Method of Accounting

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

Utah Retirement Systems adheres to Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Investments are presented at fair value. The actuarial accrued liability under the entry age actuarial funding method is presented in the Required Supplementary Information on page 80.

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

B) Investments

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

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



Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

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

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

C) Property and Equipment

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

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

D) Administrative Expenses

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

E) Federal Tax Status

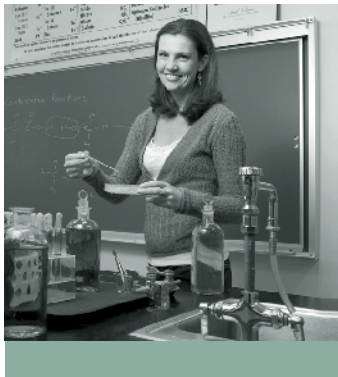
The Systems and Plans are exempt from Federal income taxes under the Internal Revenue Code.

F) Use of Estimates

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

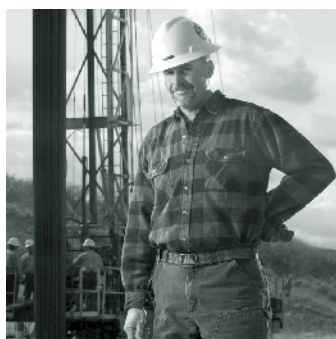
G) Subsequent Events

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



Notes to the Basic Financial Statements (Continued)

December 31, 2012



Note 3 Deposits and Investment Risk Disclosures



Cash Deposits

(in thousands)

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

Investments

at December 31, 2012

(in thousands)

Fair Value

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

A) Deposits

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

B) Investments

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

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

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

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

C) Credit Risk Debt Securities:

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

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

Credit Risk Debt Securities at Fair Value

at December 31, 2012

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Debt Securities Investments, Domestic

at December 31, 2012

(dollars in thousands)

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

Debt Securities Investments, International

at December 31, 2012

(dollars in thousands)

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

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

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

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

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

D) Custodial Credit Risk

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

Custodial Credit Risk

Exposed to Custodial Credit Risk (in thousands)

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

Exposure to Custodial Credit Risk Not Determined

Investment	Fair Value
Other assets	\$21,315

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012



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

E) Concentrations of Credit Risk

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

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

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

F) Interest Rate Risk

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

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

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

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

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

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

G) Foreign Currency Risk

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

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

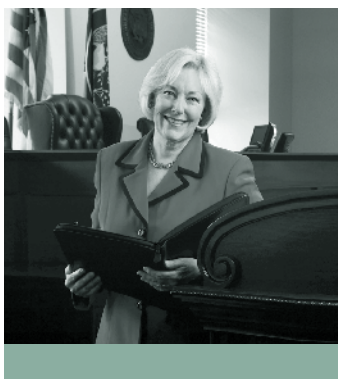
Risk of loss arises from changes in currency exchange rates. The Systems' and Plans' exposure to foreign currency risk is shown on page 63.

H) Securities Lending

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

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

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



Notes to the Basic Financial Statements (Continued)

December 31, 2012

Foreign Currency Risk

International Investment
Securities at Fair Value
at December 31, 2012

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

*American Depository Receipts

Notes to the Basic Financial Statements (Continued)

December 31, 2012

I) Derivative Financial Instruments

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

Currency Forwards

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

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012



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

Futures

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

Currency Forwards

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

Options

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

Futures

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

Options

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Swaps

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

Fixed Income Portfolio Interest Rate Swaps

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

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

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

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

Real Estate Portfolio Interest Rate Swaps

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

*One month London Interbank Offered Rate (LIBOR)

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012



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

Derivative Credit Risk

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

Credit Risk Derivatives at Fair Value

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

Synthetic Guaranteed Investment Contracts

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Synthetic Guaranteed Investment Contracts Underlying Investments

(in thousands)

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

Wrap Contracts

(in thousands)

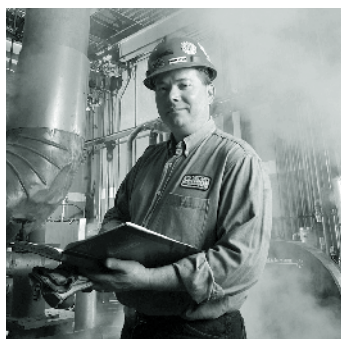
Contract Issuer	Fair Value	Market Value	Rate	Duration	Quality Rating
Bank of America	\$ 95,425	98,495	2.10%	2.35	A-
NATIXIS Financial	65,496	67,208	1.88	2.35	A+
JPMorgan Chase	69,871	74,956	3.15	3.60	A+
MetLife	39,017	41,933	3.20	3.60	AA-
Monumental Life	125,174	134,778	3.16	3.60	AA-
Monumental Life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

J) Investment Payables

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

K) Investment Compliance Officer

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



Note 4 Property and Equipment

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

Property and Equipment

(in thousands)

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

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012



Note 5 Actuarial Valuations and Methods

5

A) Actuarial Asset Valuation

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

expected rate on fair value is smoothed over a 5-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

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

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

The calculations on page 71 were utilized in determining the actuarial value of assets as of January 1, 2012, and December 31, 2012, and the next table shows the smoothed actuarial value of assets for each System.

B) Actuarial Accrued Liability

The actuarial accrued liability for the Systems is presented in the Required Supplementary Information Schedule of Funding Progress on page 80 and 81 of this report.

C) Actuarial Cost Method and Assumptions

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

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

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

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



Notes to the Basic Financial Statements (Continued)

December 31, 2012

Calculation of Actuarial Value of Assets

January 1, 2012

(dollars in thousands)

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

December 31, 2012

(dollars in thousands)

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

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

Actuarial Value of Assets by System

January 1, 2012

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

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

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

Contribution Rates

December 31, 2012

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

Required Contributions

(dollars in thousands)

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



Note 6

Actuarially Determined Contribution Requirements and Contributions Made



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

The schedule above left summarizes contribution rates in effect as of December 31, 2012. Contributions made by employers and members were in accordance with actuarially computed funding requirements. Fire insurance premium taxes and court fees are considered as part of employer contributions in the schedule shown above for the Firefighters and Judges Systems, respectively. These contribution rates also include rates for a 3% benefit enhancement that is funded by the State. For contribution rate purposes the actuary evaluates the assets of the Systems based on a 5-year smoothed expected return wherein 20% of a year's excess or shortfall of expected return is recognized each year for five years.

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

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

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

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

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



Note 7 Funded Status

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

Actuarial valuations of the ongoing plan involve estimates of assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded 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.

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012

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

Summary of Actuarial Assumptions

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

Note: All post-retirement cost-of-living adjustments are noncompounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual CPI increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Note 8 Transfers To or From Affiliated Systems

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

Note 9 Supplemental Benefits

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

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

Note 10 Litigation

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

Note 11 Commitments

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



Note 12 Pension Plan Participation

Defined Benefit Plans

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

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

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

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

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

Defined Contribution Plans

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



Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

401(k) Plan

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

457 Plan

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

Roth and Traditional IRAs

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



Note 13
Post-
Employment
Healthcare
Plan

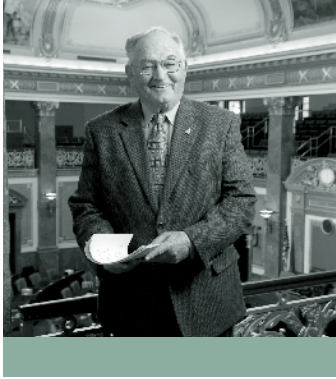
Plan Description

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

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

Notes to the Basic Financial Statements (Continued)

December 31, 2012



Funding Policy

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

Annual Costs

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

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

Funded Status and Funding Progress

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

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

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

Schedule of Funding Progress

(dollars in thousands)

Based on fair value of assets

Division	Date*	(1) Actuarial Value of Assets	(2) Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funding Ratios (1) / (2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
URS Employees	12/31/06	\$4,085	5,495	1,410	74.3%	\$8,463	16.7%
	12/31/07	4,559	5,990	1,431	76.1	9,131	15.7
	12/31/08	4,206	7,008	2,802	60.0	8,673	32.3
	12/31/09	4,654	7,539	2,885	61.7	8,678	33.2
	12/31/10	4,811	7,382	2,571	65.2	8,366	30.7
	12/31/11	4,838	7,615	2,777	63.5	7,835	35.4
	12/31/12	4,886	7,838	2,952	62.3	7,538	39.2

Schedule of Required Contributions

January 1, 2012

(dollars in thousands)

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

*Additional years will be added as they become available.

Notes to the Basic Financial Statements *(Continued)*

December 31, 2012

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

Actuarial Methods and Assumptions

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

In the January 1, 2012, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.0%, reduced by decrements to an ultimate rate of 5.0% after 10 years. Both rates include a 2.75% inflation assumption. The actuarial value of UREPEHP assets is based on smoothed expected income investment rate. Investment income in excess or shortfall of the expected rate on fair value is smoothed over a 5-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. The actuarial accrued liability was computed using likely health benefits to be paid to retirees and to be paid active employees after their service that were discounted using the investment return, health cost increase and various mortality assumptions.

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

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

Note 15 Required Supplementary Information

The historical trend information designed to provide information about the Utah Retirement Systems' progress made in accumulating sufficient assets to pay benefits when due is required supplementary information. Required supplementary information is included immediately following the notes to the financial statements on pages 80 through 81. Other supplementary information presented in succeeding sections of this report is for the benefit of statement users and is not a required part of the basic financial statements.

Note 16 Risk Management

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

Notes to the Basic Financial Statements *(Concluded)*

December 31, 2012



Note 17 Real Estate Liabilities

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

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

Real Estate Liabilities

(in thousands)

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

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

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

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

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



Utah Retirement Systems

Required Supplementary Information

Schedules of Funding Progress

(dollars in thousands)

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

See accompanying notes to required supplementary information.

Utah Retirement Systems
Required Supplementary Information *(Continued)*

Schedules of Funding Progress *(Concluded)*

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

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

See accompanying notes to required supplementary information.

Utah Retirement Systems

Required Supplementary Information (Concluded)

Schedules of Employer Contributions

(dollars in thousands)

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

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

See accompanying notes to required supplementary information.

Utah Retirement Systems

Notes to Required Supplementary Information

December 31, 2012

Note 1 Schedules of Funding Progress

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 2012, and calendar year 2012 activity. The actuarial accrued liability is presented based on the report generated by that study conducted by Gabriel, Roeder, Smith & Company. The actuarial value of assets for that date is based on a smoothed expected investment income rate. Beginning with the 2011 actuarial study, the investment rate of return assumption was changed from 7.75% to 7.5%. Investment income in excess or shortfall of the expected return on fair value is smoothed over a 5-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. The calculations for this smoothing process are disclosed in note 5 of the notes to the basic financial statements on page 70.

Note 2 Schedules of Employer Contributions

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

Note 3 Actuarial Assumptions

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

Additional Actuarial Information

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

Note: All post-retirement cost-of-living adjustments are noncompounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual CPI increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

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

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

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

Noncontributory Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

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

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

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

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

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

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

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

Contributory Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory Local Government	1/01/04	\$ 263,839	289,001	25,162	91.3%	\$ 57,965	43.4%
	1/01/05	280,286	307,221	26,935	91.2	58,482	46.1
	1/01/06	295,061	322,986	27,925	91.4	60,616	46.1
	1/01/07	319,072	338,625	19,553	94.2	61,441	31.8
	1/01/08	356,014	381,287	25,273	93.4	62,793	40.2
	1/01/09	358,620	404,913	46,293	88.6	64,758	71.5
	1/01/10	367,967	415,810	47,843	88.5	64,060	74.7
	1/01/11	379,160	434,288	55,128	87.3	59,715	92.3
	1/01/12	384,037	447,793	63,756	85.8	58,842	108.4
	12/31/12	379,966	461,140	81,174	82.4	56,870	142.7
Contributory State and School	1/01/04	\$ 650,110	693,568	43,458	93.7%	\$ 81,505	53.3%
	1/01/05	653,688	706,615	52,927	92.5	80,880	65.4
	1/01/06	656,479	704,323	47,844	93.2	77,114	62.0
	1/01/07	685,380	724,342	38,962	94.6	72,371	53.8
	1/01/08	746,093	788,964	42,871	94.6	70,106	61.2
	1/01/09	739,091	813,659	74,568	90.8	68,352	109.1
	1/01/10	748,769	820,199	71,430	91.3	63,744	112.1
	1/01/11	753,501	817,124	63,623	92.2	56,680	112.2
	1/01/12	751,214	821,249	70,035	91.5	51,261	136.6
	12/31/12	714,919	824,832	109,913	86.7	46,204	237.9
Total Contributory Retirement System	1/01/04	\$ 913,949	982,569	68,620	93.0%	\$ 139,470	49.2%
	1/01/05	933,974	1,013,836	79,862	92.1	139,362	57.3
	1/01/06	951,540	1,027,309	75,769	92.6	137,730	55.0
	1/01/07	1,004,452	1,062,967	58,515	94.5	133,812	43.7
	1/01/08	1,102,107	1,170,251	68,144	94.2	132,899	51.3
	1/01/09	1,097,711	1,218,572	120,861	90.1	133,110	90.8
	1/01/10	1,116,736	1,236,009	119,273	90.4	127,804	93.3
	1/01/11	1,132,661	1,251,412	118,751	90.5	116,395	102.0
	1/01/12	1,135,251	1,269,042	133,791	89.5	110,103	121.5
	12/31/12	1,094,885	1,285,972	191,087	85.1	103,074	185.4

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

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

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

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

Utah Retirement Systems

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

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

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

Utah Retirement Systems

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

Public Safety Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

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

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

(dollars in thousands)

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

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

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

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

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

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

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

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

December 31, 2012

With Comparative Totals for December 31, 2011

(in thousands)

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

Firefighters Retirement System**Schedules of Funding Progress by Division***(dollars in thousands)*

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

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

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

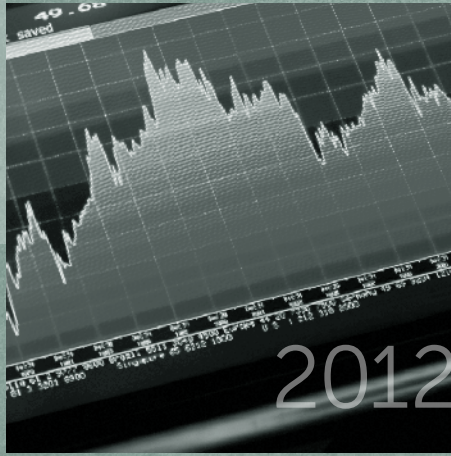
All Retirement Systems

Schedules of Administrative and Investment Expenses

Year Ended
December 31, 2012

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

Utah Retirement Systems
Comprehensive
Annual Financial Report



Investment

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Utah Retirement Systems

Defined Benefit Investments

Report on Investment Activity

UTAH STATE RETIREMENT BOARD

UTAH RETIREMENT SYSTEMS

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

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

April 19, 2013

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

Dear Members of the Utah Retirement Systems:

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

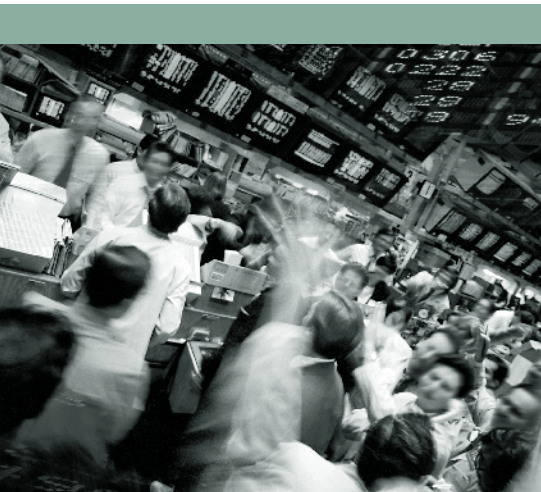
Defined Benefit Investments *(Continued)*

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

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

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

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



Defined Benefit Investments *(Continued)*

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

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



Bruce H. Cundick
Chief Investment Officer



Outline of Investment Policies

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

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

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

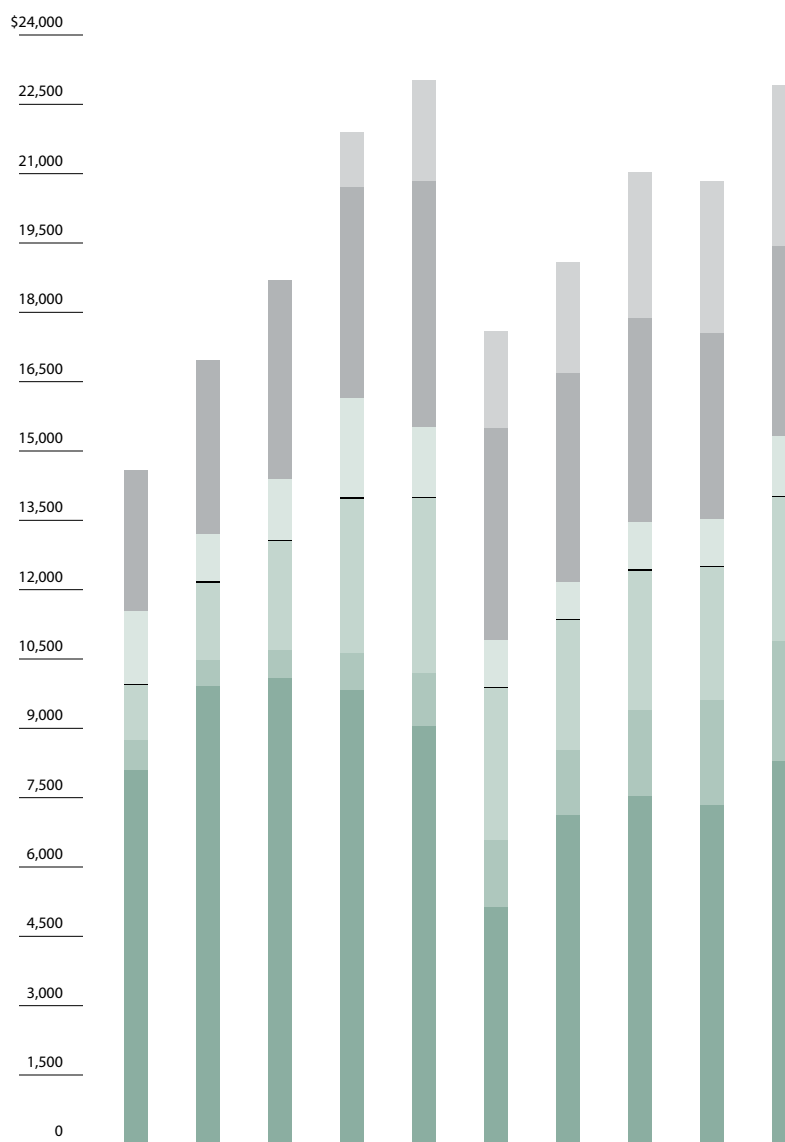
The primary investment objectives are to preserve Fund assets and generate an appropriate level of risk-adjusted return to meet future pension obligations. The Systems periodically complete an asset allocation and liability study to determine the optimal portfolio diversification to meet those obligations.



All Retirement Systems

10-Year Investment Comparison

(in millions)



(in millions)

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

Defined Benefit Investments (Continued)

2012 Investment Summary

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

The Systems' investment portfolio includes strategic, long-term commitments in the following asset classes: Domestic Equities, Domestic Debt Securities, International Equities, International Debt Securities, Real Assets, Private Equity, and Absolute Return. Asset allocation is reviewed in conjunction with the plan liabilities at least every five years.

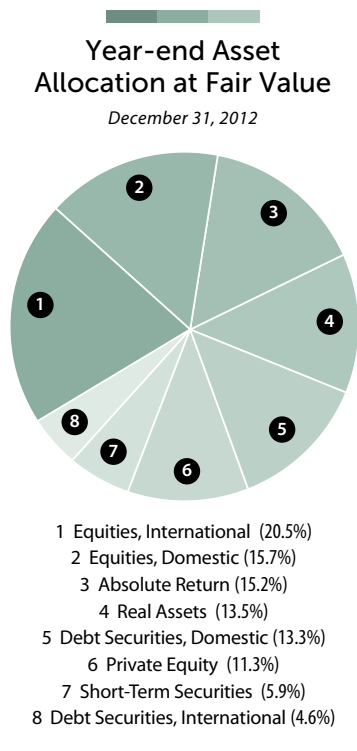
The Board's policy is to establish a long-term strategic asset allocation that manages overall expected portfolio risk (volatility) and maximizes expected return without unduly constraining the discretionary, tactical decision-making process of the investment managers.

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

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

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

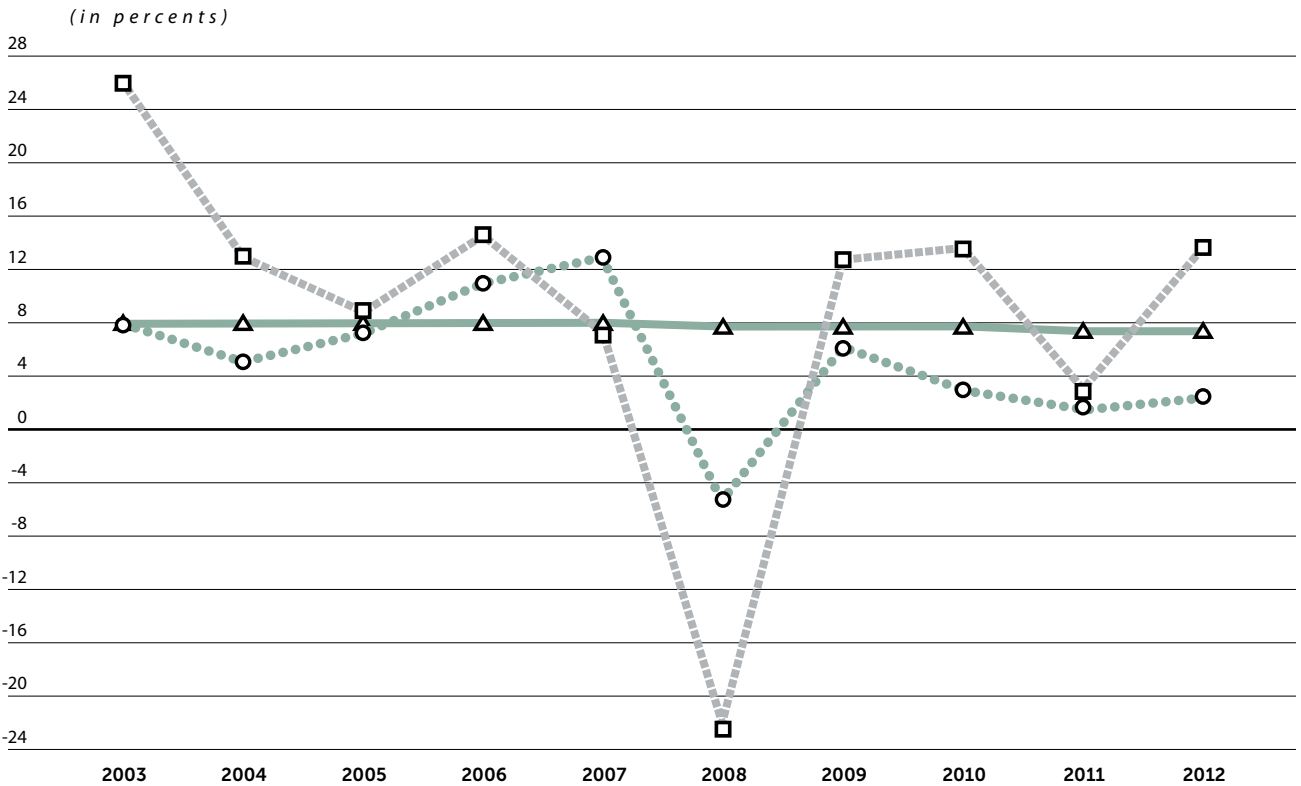
Investment return calculations are prepared using a time-weighted rate of return.



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

Defined Benefit Investments (Continued)

10-Year Total Pension Investment Rates of Return



(dollars in millions)

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

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

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

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

Defined Benefit Investments (Continued)

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

Year Ended December 31, 2012

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

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

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

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

*Not available.

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

Defined Benefit Investments (Continued)

List of Largest Assets Held

December 31, 2012

Largest Equity Holdings

(By Fair Value)

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

Largest Debt Securities Holdings

(By Fair Value)

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

Schedules of Fees and Commissions

Year Ended December 31, 2012

Broker Commission Fees

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

Schedule of Investment Fees and Commissions

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

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

Defined Benefit Investments *(Concluded)*

Investment Professionals

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

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

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

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

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

Capital International
333 South Hope Street
Los Angeles, CA 90071

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

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

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

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

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

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

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

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

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

Hancock Timber
Resources Group
99 High Street
Boston, MA 02110

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

Henderson Global Investors
One Financial Plaza
Hartford, CT 06103

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

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

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

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

Portfolio Advisors
9 Old Kings Highway
South Darien, CT 06820

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

Sasco Capital
10 Sasco Hill Road
Fairfield, CT 06824

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

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

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

Torchlight Investors
230 Park Avenue
New York, NY 10169

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

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

**Utah Retirement
Systems Consultants**

Albourne America LLC
655 Montgomery Street
San Francisco, CA 94111

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

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

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

Utah Retirement Systems

Defined Contribution Investment Plans



Investment Highlights

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

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

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

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



Investment and Administrative Expenses

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

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

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

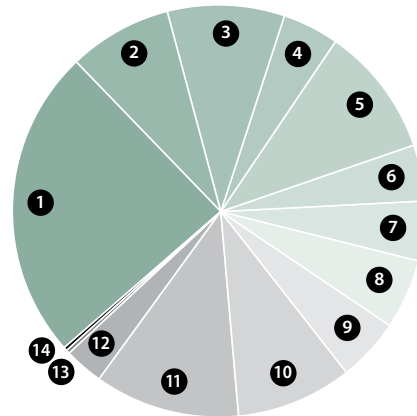
An annual account maintenance fee of \$15 is assessed to inactive accounts with combined 401(k), 457, Roth and traditional IRA balances of less than \$5,000. There may also be special service fees for loans and short-term trading.

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

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

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

Defined Contribution Plans Investment Plans (Continued)



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

Defined Contribution Plans Investments

December 31, 2012

(in thousands)

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

2012 Investment Summary and Investment and Administrative Fees

(dollars in thousands)

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

Defined Contribution Plans Investment Plans (Continued)

Defined Contribution Plans Comparative Annualized Rates of Return

Year Ended December 31, 2012

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

Past performance does not guarantee future results.

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

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

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

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

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

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

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

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

Defined Contribution Plans Investment Plans (Continued)

List of Largest Assets Held

December 31, 2012

Largest Equity Holdings

(By Fair Value)

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

Largest Debt Securities Holdings

(By Fair Value)

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

Schedules of Fees and Commissions

Year Ended December 31, 2012

Summary of Broker Commissions

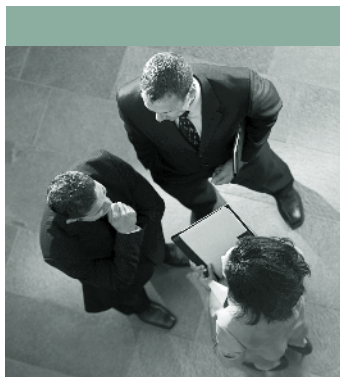
Broker	Total Commission Fees
Weeden & Company	\$ 73,974
Jefferies & Company	21,789
Frank Russell Sec/Broadcort	16,377
Investment Technology Group, Inc.	8,258
Morgan Stanley & Co., Inc.	4,776
Goldman Sachs & Co.	4,584
ISI Group, Inc.	4,436
Credit Suisse First Boston Corp.	4,281
Bear Stearns	3,469
Merrill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

Schedule of Investment Fees

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

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

Defined Contribution Plans Investment Plans *(Concluded)*



Investment Professionals

Defined Contribution Plans Investment Professionals

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

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

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

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

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

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

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

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

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

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

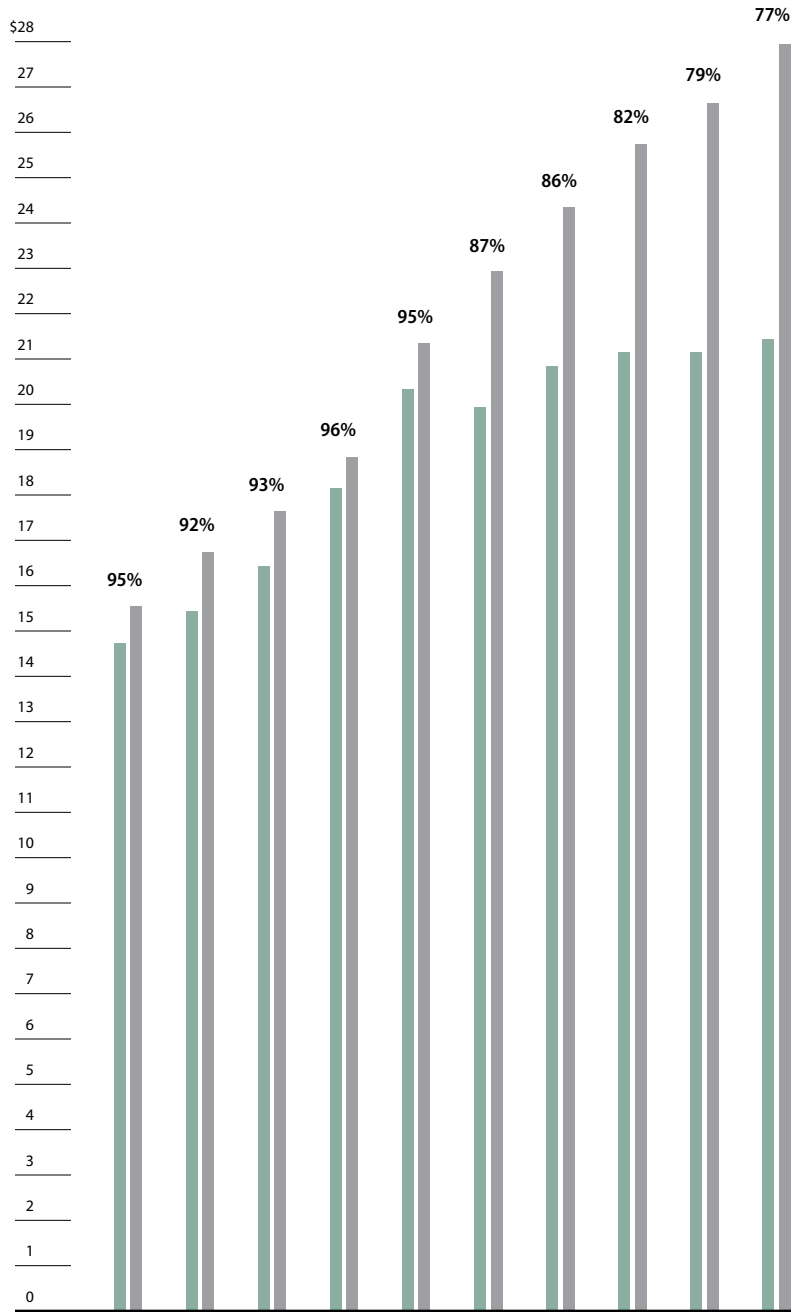
Vermillion Asset Management
267 Fifth Avenue
New York NY 10016
(Short, Medium, and Long Horizon Funds)

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

All Retirement Systems

Funding Progress with Funding Ratios

(dollars in billions)



(dollars in billions)

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

Utah Retirement Systems
Comprehensive
Annual Financial Report



Actuarial
SECTION

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124	Summary of Actuarial Assumptions and Methods
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131	Member and Employer Contribution Rates
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151	Changes in Plan Provisions
152	Summary of Defined Contribution Savings Plans Provisions

Utah Retirement Systems

Actuary's Certification Letter



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

August 9, 2012

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

Dear Members of the Board:

Subject: Certification of 2012 Actuarial Valuation

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

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

Financing objectives and funding policy

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

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

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

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

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

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

Progress toward realization of financing objectives

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

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

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

Benefit provisions

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

Actuary's Certification Letter *(Concluded)*

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

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

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

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

Assumptions and methods

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

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

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

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

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

Data

Member data for retired, active and inactive members was supplied as of December 31, 2011 by the URS staff. The staff also supplied asset information as of December 31, 2011. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. GRS is not responsible for the accuracy or completeness of the information provided to us by URS.

Certification

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

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

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

Sincerely,



Lewis Ward, Consultant



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

Gabriel Roeder Smith & Company

Utah Retirement Systems

Summary of Actuarial Assumptions and Methods

As of January 1, 2012



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

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

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

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2012

Retired Member Mortality

Class of Member

Educators

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

Public Safety and Firefighters

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

Local Government, Public Employees

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

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

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

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

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

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

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

Rates of assumed termination from employment are assumed to vary by years of service. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately. Vested members are assumed to withdraw their contributions and forfeit the right to further benefits at the rates illustrated.

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



Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 2012

	Retirement Age	Percent Retiring Within Next Year Among Active Members Eligible for Retirement							Governors and Legislators Retirement Plan
		Eligible for Retirement							
		Male			Female				
		State and School Division		Local Government Division	State and School Division		Local Government Division		
	Educators	Public Employees		Educators	Public Employees				
Tier 1 Noncontributory and Contributory Retirement Systems	50	20.00%	16.00%	18.00%	20.00%	22.00%	25.00%	0.00%	
<i>Adopted January 1, 2011</i>	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	Retirement Age	Retirement Age
Tier 1 Public Safety Retirement System	45	20.00%	50	20.00%	55	25.00%	59	25.00%	63	35.00%	67	50.00%
<i>Adopted January 1, 2011</i>	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	Retirement Age	Retirement Age
Tier 1 Firefighters Retirement System	45	16.00%	50	16.00%	55	18.00%	59	18.00%	63	40.00%	67	60.00%
<i>Adopted January 1, 2011</i>	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	Retirement Age	Retirement Age
Judges Retirement System	45	20.00%	50	20.00%	55	20.00%	59	20.00%	63	20.00%	67	20.00%
<i>Adopted January 1, 2011</i>	46	20.00	51	20.00	56	20.00	60	20.00	64	20.00	68	20.00
	47	20.00	52	20.00	57	20.00	61	20.00	65	20.00	69	20.00
	48	20.00	53	20.00	58	20.00	62	20.00	66	20.00	70	100.00
	49	20.00	54	20.00								

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2012

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

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

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

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

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 2012

	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		
Noncontributory and Contributory Retirement Systems <i>Adopted January 1, 2011</i>	0	13.00%	27.00%	19.00%	17.00%	25.00%	22.00%	10.00%
	1	11.00	24.50	15.00	16.00	21.00	18.00	10.00
	2	9.00	15.00	11.00	14.50	17.00	14.00	10.00
	3	7.50	12.00	9.00	12.50	14.00	12.00	10.00
	4	6.50	10.00	8.00	10.00	11.00	11.00	10.00
	5	5.00	9.00	7.00	8.50	9.50	9.75	10.00
	6	4.00	8.00	6.00	7.00	8.25	8.25	10.00
	7	3.00	7.00	5.50	5.50	7.00	7.50	10.00
	8	2.75	6.00	4.75	4.50	6.50	6.75	10.00
	9	2.50	4.50	4.00	4.00	6.00	6.25	10.00
	10	2.50	4.25	3.50	3.25	5.50	5.50	10.00
	11	2.25	4.00	3.25	2.75	4.75	4.75	10.00
	12	2.25	3.75	3.00	2.00	4.50	4.25	10.00
	13	2.00	3.50	3.00	2.00	4.25	4.00	10.00
	14	2.00	3.00	3.00	2.00	3.75	3.75	10.00
	15	1.75	2.50	2.75	2.00	3.50	3.50	10.00
	16	1.75	2.25	2.75	2.00	3.00	3.25	10.00
	17	1.75	2.00	2.75	1.80	2.75	3.00	10.00
	18	1.50	1.75	2.50	1.70	2.75	2.75	10.00
	19	0.50	1.75	2.50	1.60	2.75	2.50	10.00
	20	0.50	1.75	2.00	1.40	2.75	2.25	10.00
	21	0.50	1.50	2.00	1.30	2.00	2.00	10.00
	22	0.50	1.25	1.75	0.75	1.50	1.75	10.00
	23	0.50	1.00	1.50	0.75	1.25	1.50	10.00
	24	0.50	0.75	1.25	0.75	1.00	1.25	10.00
	25+	0.00	0.00	0.00	0.00	0.00	0.00	10.00

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

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

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

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2012

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

Summary of Actuarial Assumptions and Methods *(Concluded)*

As of January 1, 2012

	Years of Service	Percent Electing a Refund of Contributions Upon Termination While Vested					
		Male			Female		
		Educators	Public Employees	Local Government Division	Educators	Public Employees	Local Government Division
Noncontributory and Contributory Retirement Systems	0-3	100%	100%	100%	100%	100%	100%
<i>Adopted January 1, 1993</i>	4	75	86	75	65	80	77
	5	73	83	73	64	79	75
	10	54	73	61	53	64	61
	15	33	63	49	32	52	40
	19	9	29	23	8	22	13
	20	0	0	0	0	0	0

	Probability Mortality Within the Next Year for Active Members					
	Public Safety and Firefighters Employees					
	Age		Age		Age	
Public Safety Retirement System and Firefighters Retirement System	20	0.0440%	40	0.0605%	60	0.3740%
<i>Adopted January 1, 2008</i>	25	0.0440	45	0.1045	65	0.4730
	30	0.0440	50	0.1760	70	0.5665
	35	0.0440	55	0.2750		

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

Analysis of Financial Experience

(in thousands)

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

Member and Employer Contribution Rates

As of December 31

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

Member and Employer Contribution Rates *(Continued)*

As of December 31

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

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

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

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

Member and Employer Contribution Rates (Concluded)

As of December 31

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

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

Solvency Tests

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

Solvency Tests *(Concluded)*

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

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

Schedules of Active Member Valuation Data

Year Ended December 31

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

Schedules of Active Member Valuation Data *(Concluded)*

Year Ended December 31

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

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

Schedules of Retirants and Beneficiaries

Year Ended December 31

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

*Additional information will be added when it becomes available.

Schedules of Retirants and Beneficiaries (Concluded)

Year Ended December 31

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

*Additional information will be added when it becomes available.

**There are currently no retirees in the system.

Utah Retirement Systems

Defined Benefit Systems Summary of Plan Provisions



Noncontributory Retirement System

Membership Eligibility

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

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

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

Vesting

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

Service Retirement

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

† With fewer than 30 years of service from any combination of Utah Retirement Systems, retiring before age 65 will reduce the monthly benefit approximately 7% for every year under age 60 and 3% for each year between ages 60 and 65.

Service Benefit Formula

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

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

Cost-of-Living Allowance

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

Death Benefits

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



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

An inactive member's death benefit for someone with fewer than 10 years of service consists of a refund of transferred contributions plus interest, if applicable. For those with 10 or more years of service credited to their account prior to July 1, 1987, and who have not withdrawn their contributions, the benefit is the same as for active members.

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

Refunds

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

Redeposits

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

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

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

Interest

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



Contributory Retirement System

Membership Eligibility

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

Vesting

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

Service Retirement

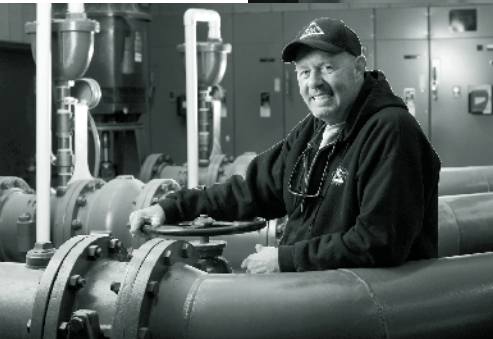
Age	Years of Service	Allowance Reduction†
Any age	30	None
60-61	20	3% each year before age 65
62-64	10	3% each year before age 65
65	4	None

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

Service Benefit Formula

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

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



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

Cost-of-Living Allowance

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

Death Benefits

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

An inactive member's death benefit for someone with fewer than 10 years of service consists of a refund of contributions plus interest. For those with 10 or more years of service credited to their account prior to July 1, 1987, and who have not withdrawn their contributions, the benefit is the same as for active members.

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

Refunds

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

Redeposits

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

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

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

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

Interest

Up to 7.50% on member accounts.



Public Safety Retirement System

Membership Eligibility

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

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

Vesting

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

Service Retirement

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

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*

Service Benefit Formula

- 1) 2.5% 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 2.5% annually on original retirement benefit. Employers have the option to provide an enhanced cost-of-living (COLA) benefit to their public safety retirees that will raise the maximum COLA from 2.5% to 4% based on the CPI. Eligible after one year.

Death Benefits

Division A (with Social Security)

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

Division B (without Social Security)

If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month if the member had two or more years of service. If death is not in the line of duty and the member has less than two years of service, the benefit is a refund of contributions plus 50% of the last 12 months of salary. The spouse at the time of death will receive a refund of contributions plus 50% of the last 12 months of salary. For members with more than two years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. A retired member's death benefit to a surviving spouse is 65% of the monthly benefit unless the member selects a reduced monthly benefit at the time of retirement to provide a 75% spousal benefit. An unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month.

Refunds

A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.

Redeposits

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

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

Noncontributory Option

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

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*

Contributory Option

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

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

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

Interest

Up to 7.50% on member accounts.



Firefighters Retirement System

Membership Eligibility

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

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

Vesting

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

Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

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



Defined Benefit Systems

Summary of Plan Provisions *(Continued)*

Disability Benefits

If disability is in the line of duty, the benefit is 50% of the final average salary with no minimum age or service requirements. If disability is not in the line of duty, the benefit is a refund of contributions for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for disability incurred in the line of duty. Benefits are suspended while receiving Workers Compensation.

Death Benefits

DIVISION A (with Social Security)

If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 30% of final average salary. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member.

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

Division B (without Social Security)

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

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

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

Refunds

A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.

Redeposits

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

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

Member rate in Division A is 15.05% of covered salary. Member rate in Division B is 16.71% of covered salary.* Employer rate in Division A is 2.66% and in Division B is 2.08% of covered salary. A fire insurance premium tax equal to 11.84% of salaries is also an additional part of the employer contribution rates. Fire insurance premium taxes are collected by the Utah State Treasurer for the Firefighters Retirement System to help fund retirement benefits.

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

Interest

Member contributions receive no interest.

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



Judges
 Retirement
 System

Membership Eligibility

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

Vesting

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



Service Retirement

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

Service Benefit Formula

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

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

Cost-of-Living Allowance

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

Death Benefits

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

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

Refunds

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

Redeposits

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

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

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

Interest

Up to 7.50% on member accounts.

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*



**Governors
and Legislators
Retirement
Plan**

Membership Eligibility

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

Vesting

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

Service Retirement

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



Service Benefit Formula

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

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

Cost-of-Living Allowance

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

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

Death Benefits

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

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

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



**Tier 2
Public Employees
Contributory
Retirement
System**

Membership Eligibility

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

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

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

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

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*



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

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

Vesting

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

Service Retirement

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

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

Service Benefit Formula

Applies Only to the Tier 2 Hybrid Retirement System

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

Cost-of-Living Allowance

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

Death Benefits

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

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

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

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

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

Refunds

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

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

Defined Benefit Systems

Summary of Plan Provisions *(Continued)*

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

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

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



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

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

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

Membership Eligibility

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

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

Vesting

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

Service Retirement

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

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

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



Defined Benefit Systems

Summary of Plan Provisions *(Concluded)*

Service Benefit Formula

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

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

Cost-of-Living Allowance

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

Death Benefits

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

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

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

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

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

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

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

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

Refunds

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

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

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

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

Utah Retirement Systems

Changes in Plan Provisions

Retirement
Related
Legislation

2012



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

Public Safety Retirement Systems

SubHB 256: Retirement Modifications

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

General

SB 156: Elected Official Retirement Benefit Amendments

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

Defined Contribution Savings Plans Summary of Plan Provisions

Defined Contribution Savings Plans



Introduction

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

Goals and Objectives

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

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

Employer Contributions

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

Social Security Substitute

Organizations that have exempted themselves from Social Security coverage and have part-time, temporary, or seasonal employees, who are not participating in a qualifying retirement system, must cover these employees with a substitute plan.

Employers may use the 401(k)/457 Plans as a qualifying retirement system for these employees, but must contribute a minimum of 7.5% of salary to the Plan(s) on their behalf for it to be considered a "qualifying system." The employer may contribute the 7.5% themselves, or they may require their employees to pay a portion or all of it.

Defined Contribution Savings Plans Summary of Plan Provisions *(Continued)*



Summary of Plan Provisions

Deferral Limits

401(k) — Limited in 2012 to an annual maximum of \$17,000. Employer contributions and employee deferrals combined could not exceed the lesser of \$50,000 or 100% of compensation.

457 — Limited to an annual maximum of \$17,000 or 100% of includable compensation.

Roth and Traditional IRA — Limited to an annual maximum of \$5,000 into all IRAs owned by the participant.

Coordination of Deferrals

401(k) — Deferrals to the 401(k) and 403(b) plans must be coordinated.

457 — Contributions to the 457 must be coordinated with all 457(b) plans.

Roth and Traditional IRA — All Roth and traditional IRA contributions must be coordinated.

Catch-up Provisions

401(k) — An additional \$5,500 for participants 50 or older during the year.

457 — An additional \$5,500 for participants age 50 or older during the year. There is an additional "special catch-up" provision for individuals who are within four years of retirement eligibility. It allows participants to double their contributions to a 457(b) plan during the three years immediately preceding the year they qualify for retirement. However, the special catch-up is limited to unused deferrals allowed in previous years.

Roth and Traditional IRA — An additional \$1,000 for participants 50 or older.

Withdrawals

401(k) — Allowable upon termination of employment, age 59½, retirement, disability, death, or hardship caused by immediate and heavy financial needs.

457 — Allowable upon termination of employment, age 70½, retirement, death, or severe unforeseeable financial emergencies.

Roth and Traditional IRA — Allowable at any time, but with possible tax penalties if withdrawn prior to age 59½.

Rollovers

401(k) — Allowable from other eligible retirement plans, or to other eligible retirement plans upon termination of employment or other qualifying events. May be either a direct rollover by the Plan or an indirect rollover by the participant within 60 days after distribution.

457 — Allowable to other eligible retirement plans or from another 457(b) plan.

Roth and Traditional IRA — Allowable from other eligible retirement plans or to other eligible plans (depending on acceptance of receiving plan).

Vesting

401(k) — Employee and other employer contributions are fully vested. Tier 2 employer required contributions are vested after four years of eligible service.

457 — Fully vested.

Roth and Traditional IRA — Fully vested.

Loans

401(k) and 457 — Available up to 50% of member account balance, to a maximum of \$50,000. Only one outstanding loan allowed, per plan. Tier 2 employer required contributions are not eligible.

Roth and Traditional IRA — Not available.

Defined Contribution Savings Plans Summary of Plan Provisions *(Continued)*

Short-Term Trading Fees

Each time money managers purchase or redeem stocks and bonds there are trading costs involved. Because of the costs generated by frequent or short-term trading, it became necessary to impose a short-term trading fee. Individuals who transfer any or all of their current account between core investment options more often than once every 30 days, are charged 2% of the amount transferred for each additional trade. Each transfer starts a new 30-day period.

Investment Transfer Options

Changes in deferral amounts and in the investment options for future contributions may be made at any time. Participants may make one transfer of accumulated balances within each plan no more frequently than every seven calendar days.

2012 Core Investment Options

Income Fund

The Income Fund is a stable value option and the most conservative of the investment choices. Approximately 95% of its assets are invested in investment grade bonds, which are “wrapped” with book value contracts. The contracts are financial agreements from creditworthy banks and insurance companies, protecting against changes in interest rates and allowing the returns to be smoothed over the duration of the portfolio. The remaining 5% is invested in short-term instruments for liquidity.

Bond Fund

The Bond Fund invests in a diversified portfolio consisting of U.S. government securities, mortgage and asset backed securities, corporate bonds, and short-term funds.

Balanced Fund

The Balanced Fund invests in a portfolio consisting of approximately 60% stocks and 40% bonds.

Large Cap Stock Value Fund

The Large Cap Stock Value Fund invests in a diversified portfolio of common stocks that appear to be undervalued by the stock market, but have a favorable outlook for long-term growth.

Large Cap Stock Index Fund

The Large Cap Stock Index Fund invests in stocks included in the Russell 1000 Index and is similarly weighted. This fund represents a broad range of industries in the U.S. economy.

Large Cap Stock Growth Fund

The Large Cap Stock Growth Fund emphasizes capital appreciation and seeks to identify companies with future relative earnings strength at a reasonable valuation.

International Fund

The International Fund tracks the performance of the MSCI All Country World Index – ex. U.S. – Investable Market Index (ACWI ex. U.S. IMI) as closely as possible. The index is designed as a measure of the global stock market performance of developed and emerging markets that excludes the United States.



Defined Contribution Savings Plans**Summary of Plan Provisions** *(Concluded)*

**Horizon Funds
Asset Allocation**

	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund
Income Fund	15%	—	—
Bond Fund	35	30%	15%
Inflation Protected Securities	10	5	—
International Bonds	10	10	5
Large Cap Stock Value Fund	4	6	6
Large Cap Stock Index Fund	5	11	16
Large Cap Stock Growth Fund	4	6	6
International Fund	10	18	28
Small Cap Stock Fund	4	5	9
Real Estate Investment Trusts	—	4	8
Commodities	3	5	7
Total	100%	100%	100%

Small Cap Stock Fund

The Small Cap Stock Fund invests in a broad cross-section of U.S. small companies whose size (market capitalization) falls within the smallest 10% of the market universe. The market universe is comprised of companies listed on the NYSE, AMEX, and NASDAQ.

Brokerage Window

The brokerage window is a self-directed brokerage account available through Charles Schwab. The brokerage account offers a wide variety of investment options with varying degrees of risk. The brokerage window allows the participant to choose from mutual funds, stocks, bonds, and exchange traded funds (ETFs).

Horizon Funds

A **Horizon Fund** asset allocation is designed to help those who want to diversify their investment. If they select one of the three Horizon Funds, contributions will be allocated to the investment options according to the table to the left. The Horizon Funds will generally rebalance quarterly if target ranges are exceeded. Utah Retirement Systems reserves the right to change these percentages as needed.

The **Short Horizon Fund** is designed for investors expecting to withdraw their funds within five years. This fund provides a relatively conservative investment with a more stable rate of return. However, with reduced market risk there is usually a lower rate of return over the long term.

The **Medium Horizon Fund** is designed for investors planning to withdraw their funds in five to 10 years. This fund emphasizes moderate risk and moderate earnings potential. It has more risk than the Short Horizon Fund, but less than the Long Horizon Fund. The Medium Horizon Fund is the default vehicle when no investment option has been selected by the participant. The medium horizon asset allocation is also used for Tier 2 unvested funds.

The **Long Horizon Fund** is designed for investors with 10 or more years to invest before withdrawing their funds. The fund offers the potential for higher returns over a long period of time. There is higher market risk with this horizon fund, along with higher potential returns.

Health Reimbursement Arrangement

The Health Reimbursement Arrangement (HRA) is a tax-advantaged health savings plan funded by employer contributions to pay for qualified healthcare expenses incurred after retirement.

Eligibility — Benefits are eligible for the retiree, spouse, and dependents as defined by the Internal Revenue Service.

Contributions — HRA rules require that all contributions be made by the employer and are determined by the employer's personnel policies. Contributions are generally from unused sick leave or other leave.

Eligible Expenses

Money is available for the member, his or her spouse, and dependents to pay qualified medical expenses. For a comprehensive list of eligible expenses, see IRS Publication 502, *Medical and Dental Expenses*.

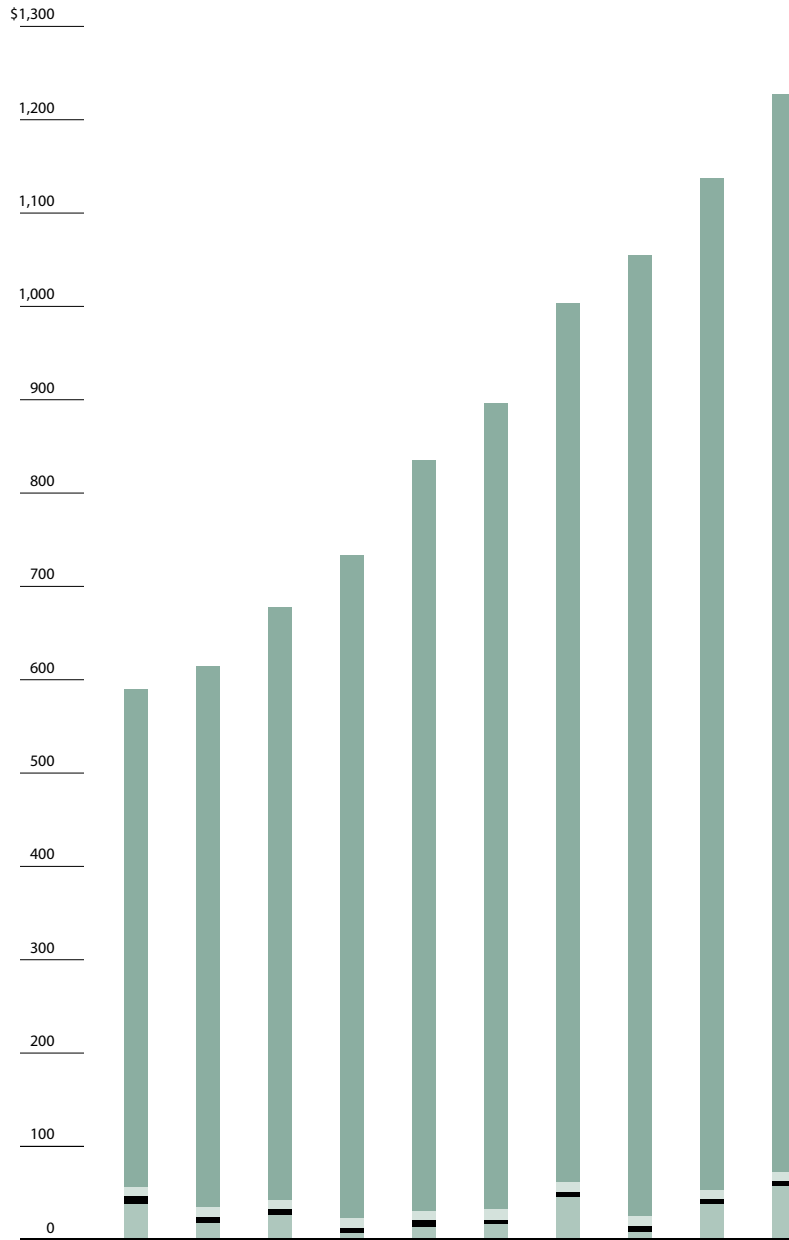
Refunds, Administration and Fees — Contributions are placed in a money market account managed by Northern Trust investment management. Administrative and money management fees totaling 0.6% are deducted from earnings. There is also a \$2.50 monthly fee for the benefits card and claims processing.

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

All Retirement Systems

Deductions by Type

(dollars in millions)



(dollars in millions)

(dollars in millions)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Benefits	\$533	579	634	710	804	863	941	1,028	1,083	1,153
Administrative expense	10	10	10	10	10	11	10	11	9	10
Refunds	8	7	6	5	7	5	6	6	5	5
Transfers to systems	37	16	25	6	12	15	44	7	37	56
Totals	\$588	612	675	731	833	894	1,001	1,052	1,134	1,224

Utah Retirement Systems
Comprehensive
Annual Financial Report



Statistical

SECTION

- 158 Schedules of Changes in Fund Balance — Defined Benefit Systems**
These schedules allow readers to view changes in net assets and benefits over a 10-year period.
- 162 Schedules of Changes in Fund Balance — Defined Contribution Plans**
These schedules allow readers to view changes in net assets and refunds over a 10-year period.
- 164 Schedules of Benefit Deductions by Type**
These schedules provide readers with information regarding the type of benefit deductions for the last 10 years.
- 166 Schedules of Retired Members by Type of Benefit Option**
These schedules provide readers with information regarding the benefit option retired members choose.
- 168 Schedules of Average Benefit Payments**
These schedules provide readers with information regarding benefit payments by years of service.
- 172 Schedules of Active Members by Age and Gender**
These schedules provide readers with information regarding members by age and gender.
- 173 Schedules of Retirees by Age and Gender**
These schedules provide readers with information regarding retirees by age and gender.
- 174 Schedules of Principal Participating Employers**
These schedules provide readers with information regarding the largest participating employers.
- 177 Schedule of Utah Retirement Office Employees**
This schedule provides readers with information regarding the number of Utah Retirement Systems' employees.
- 178 Schedule of Participating Employers**
This schedule provides readers with information regarding the participating employers and the systems in which they participate.
- 182 Utah Retirement Systems — a Highlight History**
This summary provides readers with historical highlights of the Utah Retirement Systems.
- Inside Back Cover Systems and Plans Statistical Highlights**
This schedule provides readers with a number of general system and plan highlights.

Schedules of Changes in Fund Balance — Defined Benefit Systems

Year Ended December 31

(dollars in thousands)

System	Year	Beginning Net Assets	Member Contributions	Employer Contributions	Total Employer Contributions		Contributions as a Percent of Covered Payroll	Net Investment Income
					Court Fees/ Fire Insurance Tax			
Noncontributory Retirement System	2003	\$ 9,073,766	11,517	314,511	—		10.63%	2,315,577
	2004	11,280,140	14,377	369,109	—		11.97	1,547,605
	2005	12,786,130	19,817	406,795	—		12.85	1,185,095
	2006	13,892,439	22,646	440,421	—		13.24	2,006,738
	2007	15,818,483	18,245	487,803	—		14.20	1,041,414
	2008	16,751,804	14,110	522,733	—		13.50	(3,888,624)
	2009	12,714,371	14,109	535,298	—		13.53	1,667,478
	2010	14,152,562	33,528	564,154	—		14.51	1,860,976
	2011	15,802,205	12,879	610,270	—		15.65	401,105
	2012	15,935,472	15,014	644,907	—		16.99	2,000,995
Contributory Retirement System	2003	\$ 716,132	8,673	7,297	—		5.23%	186,339
	2004	889,808	9,023	9,564	—		6.86	117,340
	2005	949,393	10,300	10,357	—		7.52	88,388
	2006	1,018,525	9,534	10,737	—		8.02	144,012
	2007	1,115,416	9,700	11,208	—		8.56	71,640
	2008	1,131,316	9,410	11,037	—		8.29	(261,227)
	2009	835,370	8,655	10,865	—		8.50	112,626
	2010	937,587	10,299	11,851	—		10.18	121,153
	2011	1,007,248	7,300	11,125	—		10.10	26,009
	2012	1,013,050	6,962	11,705	—		11.36	131,169
Public Safety Retirement System	2003	\$ 1,124,549	4,448	46,655	—		16.76%	288,126
	2004	1,404,167	5,038	56,319	—		19.17	192,784
	2005	1,594,043	4,806	61,326	—		20.53	148,071
	2006	1,736,451	4,567	70,466	—		22.25	250,813
	2007	1,981,492	4,343	81,166	—		24.46	130,655
	2008	2,106,302	2,159	93,899	—		25.72	(491,024)
	2009	1,614,057	1,556	98,729	—		26.40	213,627
	2010	1,824,758	1,713	103,586	—		28.53	241,203
	2011	2,058,019	1,070	110,829	—		29.61	52,655
	2012	2,103,751	1,155	117,975	—		32.19	266,753
Firefighters Retirement System	2003	\$ 461,323	6,055	—	9,059		11.98%	117,392
	2004	570,160	6,292	—	8,659		10.87	77,602
	2005	637,979	6,726	—	9,601		11.42	58,827
	2006	686,062	7,761	—	9,518		10.73	98,566
	2007	773,776	9,194	—	13,797		14.41	50,738
	2008	814,674	10,428	—	10,219		9.99	(188,095)
	2009	612,699	11,273	—	16,159		15.01	79,811
	2010	682,219	14,112	238	10,677		10.37	89,122
	2011	756,260	17,328	316	12,689		11.74	19,218
	2012	765,524	17,503	1,264	16,057		15.66	96,255

Transfers from Systems	Total Additions	Benefit Payments	Refunds	Administrative & Actuarial Expense	Transfers to Systems	Total Deductions	Changes in Net Assets	Ending Net Assets
—	2,641,605	386,791	3,310	8,124	37,006	435,231	2,206,374	11,280,140
10,583	1,941,674	424,897	3,029	7,758	—	435,684	1,505,990	12,786,130
—	1,611,707	469,695	3,189	7,557	24,957	505,398	1,106,309	13,892,439
112	2,469,917	533,248	2,763	7,862	—	543,873	1,926,044	15,818,483
7,173	1,554,635	609,526	3,443	8,345	—	621,314	933,321	16,751,804
—	(3,351,781)	659,792	2,514	8,809	14,537	685,652	(4,037,433)	12,714,371
—	2,216,885	723,052	2,882	8,340	44,420	778,694	1,438,191	14,152,562
—	2,458,658	793,804	3,620	8,389	3,202	809,015	1,649,643	15,802,205
—	1,024,254	843,696	2,514	7,304	37,473	890,987	133,267	15,935,472
—	2,660,916	900,133	2,858	8,397	55,563	966,951	1,693,965	17,629,437
33,263	235,572	57,863	3,358	675	—	61,896	173,676	889,808
—	135,927	56,992	2,945	618	15,787	76,342	59,585	949,393
19,565	128,610	57,100	1,800	578	—	59,478	69,132	1,018,525
—	164,283	58,546	1,789	576	6,481	67,392	96,891	1,115,416
—	92,548	61,678	2,318	588	12,064	76,648	15,900	1,131,316
9,008	(231,772)	62,096	1,473	605	—	64,174	(295,946)	835,370
37,633	169,779	64,849	2,158	555	—	67,562	102,217	937,587
—	143,303	67,565	1,632	535	3,910	73,642	69,661	1,007,248
32,064	76,498	68,375	1,872	449	—	70,696	5,802	1,013,050
47,098	196,934	70,855	1,975	503	—	73,333	123,601	1,136,651
2,002	341,231	59,941	666	1,006	—	61,613	279,618	1,404,167
4,002	258,143	66,329	960	978	—	68,267	189,876	1,594,043
4,257	218,460	74,041	1,026	985	—	76,052	142,408	1,736,451
3,284	329,130	82,499	562	1,028	—	84,089	245,041	1,981,492
2,323	218,487	91,864	723	1,090	—	93,677	124,810	2,106,302
3,727	(391,239)	98,944	899	1,163	—	101,006	(492,245)	1,614,057
4,578	318,490	106,272	390	1,127	—	107,789	210,701	1,824,758
4,248	350,750	115,831	512	1,146	—	117,489	233,261	2,058,019
3,303	167,857	120,570	536	1,019	—	122,125	45,732	2,103,751
6,411	392,294	128,532	292	1,164	—	129,988	262,306	2,366,057
625	133,131	23,520	414	360	—	24,294	108,837	570,160
980	93,533	25,263	106	345	—	25,714	67,819	637,979
601	75,755	27,269	72	331	—	27,672	48,083	686,062
1,825	117,670	29,497	114	345	—	29,956	87,714	773,776
1,709	75,438	33,936	248	356	—	34,540	40,898	814,674
1,491	(165,957)	35,355	284	379	—	36,018	(201,975)	612,699
1,173	108,416	38,311	231	354	—	38,896	69,520	682,219
1,784	115,933	41,130	401	361	—	41,892	74,041	756,260
1,699	51,250	41,406	268	312	—	41,986	9,264	765,524
1,325	132,404	43,660	133	357	—	44,150	88,254	853,778

Continued on page 160.

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

Year Ended December 31

(dollars in thousands)

System	Year	Beginning Net Assets	Member Contributions	Employer Contributions	Total Employer Contributions		Contributions as a Percent of Covered Payroll	Net Investment Income
					Court Fees/ Fire Insurance Tax			
Judges Retirement System	2003	\$ 75,753	103	551	1,939		22.87%	19,417
	2004	94,467	8	723	1,808		21.73	12,852
	2005	105,483	8	792	1,605		20.67	9,762
	2006	113,353	10	995	1,723		22.29	16,287
	2007	128,299	13	1,360	1,850		24.10	8,401
	2008	134,364	138	1,730	2,072		26.40	(31,053)
	2009	100,895	67	2,083	2,101		28.99	13,214
	2010	111,726	—	2,771	1,944		33.12	14,597
	2011	123,037	—	3,588	1,815		36.22	3,114
	2012	123,235	—	4,232	1,666		39.62	15,485
Utah Governors and Legislators Retirement Plan	2003	\$ 8,932	—	—	—		—	2,202
	2004	10,390	—	—	—		—	1,381
	2005	11,066	—	—	—		—	997
	2006	11,319	—	—	—		—	1,589
	2007	12,163	—	—	—		—	780
	2008	12,196	—	—	—		—	(2,763)
	2009	8,675	—	—	—		—	1,098
	2010	8,993	—	—	—		—	1,142
	2011	9,337	—	153	—		26.94%	231
	2012	8,933	—	214	—		46.22	1,100
Tier 2 Public Employees Contributory Retirement System*	2011	\$ —	—	2,790	—		7.58%	\$ 9
	2012	2,799	—	14,208	—		6.97	922
Tier 2 Public Safety and Firefighters Contributory Retirement System*	2011	\$ —	—	89	—		10.41%	\$ —
	2012	89	—	1,031	—		10.07	56

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

Utah Retirement Systems

Transfers from Systems	Total Additions	Benefit Payments	Refunds	Administrative & Actuarial Expense	Transfers to Systems	Total Deductions	Changes in Net Assets	Ending Net Assets
1,128	23,138	4,361	—	63	—	4,424	18,714	94,467
204	15,595	4,518	—	61	—	4,579	11,016	105,483
518	12,685	4,755	—	60	—	4,815	7,870	113,353
1,242	20,257	5,251	—	60	—	5,311	14,946	128,299
841	12,465	6,335	—	65	—	6,400	6,065	134,364
294	(26,819)	6,580	—	70	—	6,650	(33,469)	100,895
1,027	18,492	7,595	—	66	—	7,661	10,831	111,726
1,078	20,390	9,010	—	69	—	9,079	11,311	123,037
390	8,907	8,649	—	60	—	8,709	198	123,235
710	22,093	9,135	—	66	—	9,201	12,892	136,127
—	2,202	726	—	6	12	744	1,458	10,390
18	1,399	712	5	6	—	723	676	11,066
16	1,013	755	—	5	—	760	253	11,319
18	1,607	758	—	5	—	763	844	12,163
18	798	758	2	5	—	765	33	12,196
17	(2,746)	763	7	5	—	775	(3,521)	8,675
9	1,107	784	—	5	—	789	318	8,993
2	1,144	790	5	5	—	800	344	9,337
17	401	801	—	4	—	805	(404)	8,933
19	1,333	815	1	5	—	821	512	9,445
—	2,799	—	—	—	—	—	2,799	2,799
5	15,135	—	—	1	—	1	15,134	17,933
—	89	—	—	—	—	—	89	89
—	1,087	—	—	—	5	5	1,082	1,171

Schedules of Changes in Fund Balance — Defined Contribution Plans

Year Ended December 31

(in thousands)

System	Year	Beginning Net Assets	Contributions	Net Investment Income / (Loss)	Total Additions
401(k) Plan	2003	\$ 1,312,764	161,212	249,313	410,525
	2004	1,653,375	170,958	152,410	323,368
	2005	1,890,555	182,744	142,760	325,504
	2006	2,104,462	193,515	226,668	420,183
	2007	2,388,556	225,975	137,399	363,374
	2008	2,604,148	229,981	(554,176)	(324,195)
	2009	2,131,945	222,369	386,989	609,358
	2010	2,607,287	222,474	254,289	476,763
	2011	2,886,677	210,592	(14,864)	195,728
	2012	2,881,007	218,888	313,374	532,262
457 Plan	2003	\$ 171,561	13,812	29,193	43,005
	2004	196,219	17,368	17,118	34,486
	2005	213,271	22,033	14,891	36,924
	2006	230,031	23,282	24,210	47,492
	2007	258,815	26,303	14,025	40,328
	2008	277,063	29,021	(57,267)	(28,246)
	2009	229,469	26,617	41,581	68,198
	2010	283,619	26,522	27,628	54,150
	2011	316,874	26,441	(2,422)	24,019
	2012	321,356	24,501	35,065	59,566
Roth IRA Plan*	2005	\$ —	1,007	53	1,060
	2006	1,027	2,351	283	2,634
	2007	3,588	2,745	208	2,953
	2008	6,336	3,346	(2,051)	1,295
	2009	7,088	3,623	2,008	5,631
	2010	12,248	8,116	1,827	9,943
	2011	20,571	6,619	(508)	6,111
2012	24,400	7,685	3,256	10,941	
Traditional IRA Plan*	2005	\$ —	6,527	353	6,880
	2006	6,556	6,069	1,061	7,130
	2007	12,428	7,390	650	8,040
	2008	17,840	7,433	(3,488)	3,945
	2009	19,194	3,161	2,803	5,964
	2010	22,471	6,097	1,692	7,789
	2011	26,251	7,346	(-55)	7,291
	2012	30,013	9,799	2,811	12,610
HRA Plan*	2006	\$ —	161	2	163
	2007	129	664	19	683
	2008	685	1,129	23	1,152
	2009	1,546	1,974	7	1,981
	2010	2,988	4,274	11	4,285
	2011	6,275	4,264	17	4,281
	2012	9,113	4,092	22	4,114
All Defined Contribution Plans	2003	\$ 1,484,325	175,024	278,506	453,530
	2004	1,849,584	188,326	169,528	357,854
	2005	2,103,826	212,311	158,057	370,368
	2006	2,342,076	225,378	252,224	477,602
	2007	2,663,516	263,077	152,301	415,378
	2008	2,906,072	270,910	(616,959)	(346,049)
	2009	2,389,242	257,744	433,388	691,132
	2010	2,928,613	267,483	285,447	552,930
	2011	3,256,648	255,262	(17,832)	237,430
	2012	3,265,889	264,965	354,528	619,493

*This plan has existed for less than 10 years.

Utah Retirement Systems

Refunds	Administrative Expenses	Total Deductions	Changes in Net Assets	Ending Net Assets
65,785	4,129	69,914	340,611	1,653,375
81,611	4,577	86,188	237,180	1,890,555
106,678	4,919	111,597	213,907	2,104,462
130,718	5,371	136,089	284,094	2,388,556
142,180	5,602	147,782	215,592	2,604,148
141,904	6,104	148,008	(472,203)	2,131,945
127,675	6,341	134,016	475,342	2,607,287
190,963	6,410	197,373	279,390	2,886,677
194,933	6,465	201,398	(5,670)	2,881,007
194,538	5,857	200,395	331,867	3,212,874
17,877	470	18,347	24,658	196,219
16,937	497	17,434	17,052	213,271
19,633	531	20,164	16,760	230,031
18,138	570	18,708	28,784	258,815
21,489	591	22,080	18,248	277,063
18,683	665	19,348	(47,594)	229,469
13,349	699	14,048	54,150	283,619
20,184	711	20,895	33,255	316,874
18,811	726	19,537	4,482	321,356
19,877	664	20,541	39,025	360,381
33	—	33	1,027	1,027
67	6	73	2,561	3,588
192	13	205	2,748	6,336
524	19	543	752	7,088
445	26	471	5,160	12,248
1,582	38	1,620	8,323	20,571
2,230	52	2,282	3,829	24,400
1,538	53	1,591	9,350	33,750
315	9	324	6,556	6,556
1,232	26	1,258	5,872	12,428
2,592	36	2,628	5,412	17,840
2,545	46	2,591	1,354	19,194
2,635	52	2,687	3,277	22,471
3,954	55	4,009	3,780	26,251
3,469	60	3,529	3,762	30,013
3,967	61	4,028	8,582	38,595
34	—	34	129	129
126	1	127	556	685
288	3	291	861	1,546
533	6	539	1,442	2,988
987	11	998	3,287	6,275
1,426	17	1,443	2,838	9,113
1,736	22	1,758	2,356	11,469
83,662	4,599	88,261	365,269	1,849,594
98,548	5,074	103,622	254,232	2,103,816
126,659	5,459	132,118	238,250	2,342,076
150,189	5,973	156,162	321,440	2,663,516
166,579	6,243	172,822	242,556	2,906,072
163,944	6,837	170,781	(516,830)	2,389,242
144,637	7,124	151,761	539,371	2,928,613
217,670	7,225	224,895	328,035	3,256,648
220,869	7,320	228,189	9,241	3,265,889
221,656	6,657	228,313	391,180	3,657,069

Schedules of Benefit Deductions by Type

Year Ended December 31

(in thousands)

System	Year	Service and Disability Benefits	Cost-of-Living Benefits	Supplemental Benefits	Total Benefits
Noncontributory Retirement System	2003	\$ 327,972	58,819	—	386,791
	2004	360,819	64,078	—	424,897
	2005	397,759	71,936	—	469,695
	2006	450,659	82,589	—	533,248
	2007	513,917	95,609	—	609,526
	2008	551,391	108,401	—	659,792
	2009	599,456	123,596	—	723,052
	2010	661,718	132,086	—	793,804
	2011	709,359	134,337	—	843,696
	2012	753,155	146,978	—	900,133
Contributory Retirement System	2003	\$ 36,520	19,719	1,624	57,863
	2004	36,620	19,041	1,331	56,992
	2005	37,508	18,479	1,113	57,100
	2006	39,635	18,002	909	58,546
	2007	43,248	17,694	736	61,678
	2008	44,218	17,309	569	62,096
	2009	47,319	17,086	444	64,849
	2010	50,822	16,389	353	67,564
	2011	52,933	15,160	282	68,375
	2012	55,884	14,746	225	70,855
Public Safety Retirement System	2003	\$ 50,653	8,638	650	59,941
	2004	56,047	9,670	612	66,329
	2005	62,608	10,859	574	74,041
	2006	69,721	12,237	541	82,499
	2007	77,605	13,743	516	91,864
	2008	83,142	15,317	485	98,944
	2009	88,632	17,186	454	106,272
	2010	96,331	19,068	433	115,832
	2011	99,685	20,482	403	120,570
	2012	105,780	22,372	380	128,532
Firefighters Retirement System	2003	\$ 18,270	4,552	698	23,520
	2004	19,757	4,851	655	25,263
	2005	21,405	5,252	612	27,269
	2006	23,122	5,806	569	29,497
	2007	26,952	6,461	523	33,936
	2008	27,792	7,093	470	35,355
	2009	30,097	7,792	422	38,311
	2010	32,490	8,242	401	41,133
	2011	32,716	8,313	377	41,406
	2012	34,445	8,871	344	43,660

Schedules of Benefit Deductions by Type *(Concluded)*

Year Ended December 31

(in thousands)

System	Year	Service and Disability Benefits	Cost-of-Living Benefits	Supplemental Benefits	Total Benefits
Judges Retirement System	2003	\$ 3,508	853	—	4,361
	2004	3,624	894	—	4,518
	2005	3,784	971	—	4,755
	2006	4,167	1,084	—	5,251
	2007	5,105	1,230	—	6,335
	2008	5,201	1,379	—	6,580
	2009	6,046	1,549	—	7,595
	2010	7,317	1,693	—	9,010
	2011	6,974	1,675	—	8,649
	2012	7,364	1,771	—	9,135
Utah Governors and Legislators Retirement Plan	2003	\$ 572	154	—	726
	2004	559	153	—	712
	2005	595	160	—	755
	2006	594	164	—	758
	2007	596	162	—	758
	2008	606	157	—	763
	2009	619	165	—	784
	2010	625	165	—	790
	2011	639	162	—	801
	2012	647	168	—	815
Tier 2 Public Employees Contributory Retirement System*	2011	\$ —	—	—	—
	2012	—	—	—	—
Tier 2 Public Safety and Firefighters Contributory Retirement System*	2011	\$ —	—	—	—
	2012	—	—	—	—

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

Schedules of Retired Members by Type of Benefit Option

Year Ended December 31, 2012

(in thousands)

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option							
		1	2	3	4	5	6	7	8
Noncontributory Retirement System	\$1-1,000	7,876	764	2,045	257	2,557	727	—	—
	1,001-2,000	3,852	727	1,631	279	2,166	829	—	—
	2,001-3,000	2,710	728	1,807	278	2,414	826	—	—
	3,001-4,000	1,717	478	1,312	215	1,272	472	—	—
	4,001-5,000	485	115	550	98	346	143	—	—
	over 5,000	225	58	275	50	120	53	—	—
Contributory Retirement System	\$1-1,000	1,097	437	220	31	227	85	—	—
	1,001-2,000	533	246	204	47	213	68	—	—
	2,001-3,000	192	134	115	27	135	43	—	—
	3,001-4,000	63	47	44	8	48	25	—	—
	4,001-5,000	12	16	17	5	6	4	—	—
	over 5,000	5	5	8	1	1	1	—	—
Public Safety Retirement System	\$1-1,000	—	—	—	—	—	—	297	109
	1,001-2,000	—	—	—	—	—	—	675	251
	2,001-3,000	—	—	—	—	—	—	1,316	488
	3,001-4,000	—	—	—	—	—	—	565	207
	4,001-5,000	—	—	—	—	—	—	185	91
	over 5,000	—	—	—	—	—	—	84	25
Firefighters Retirement System	\$1-1,000	—	—	—	—	—	—	37	—
	1,001-2,000	—	—	—	—	—	—	141	—
	2,001-3,000	—	—	—	—	—	—	404	—
	3,001-4,000	—	—	—	—	—	—	394	—
	4,001-5,000	—	—	—	—	—	—	172	—
	over 5,000	—	—	—	—	—	—	56	—

1—A maximum monthly benefit for the retiree's life. No benefit to a beneficiary.

2—A reduced lifetime benefit to the retiree. A beneficiary receives the balance in retiree's account after the monthly annuity payments are deducted.

3—A reduced lifetime benefit to a retiree and a lifetime benefit equal to the retiree's benefit payable to the retiree's lawful spouse at the time of retirement.

4—A reduced lifetime benefit to the retiree and a lifetime benefit equal to half of the retiree's benefit to the retiree's lawful spouse at the time of retirement.

5—Approximately 95% of the benefit in type 3 and the same lifetime benefit for retiree's lawful spouse at the time of retirement. Benefit reverts to 100% at time of spouse's death.

6—Approximately 98% of the benefit in type 4 and a lifetime benefit for equal to half of the retiree's for retiree's lawful spouse at the time of the retirement. Benefit reverts to 100% at time of spouse's death.

7—Normal retirement for age and service and a lifetime benefit of 65% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.

8—Normal retirement for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retirement.

Schedules of Retired Members by Type of Benefit Option *(Concluded)*

Year Ended December 31, 2012

(in thousands)

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option							
		1	2	3	4	5	6	7	8
Judges Retirement System	\$1-1,000	—	—	—	—	—	—	—	—
	1,001-2,000	—	—	—	—	—	—	—	—
	2,001-3,000	—	—	—	—	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	3	1
	4,001-5,000	—	—	—	—	—	—	1	—
	over 5,000	—	—	—	—	—	—	57	54
Utah Governors and Legislators Retirement Plan*	\$1-1,000	—	—	—	219	—	1	—	—
	1,001-2,000	—	—	—	3	—	—	—	—
	2,001-3,000	—	—	—	1	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—
	over 5,000	—	—	—	—	—	—	—	—
Tier 2 Public Employees Contributory Retirement System**	\$1-1,000	—	—	—	—	—	—	—	—
	1,001-2,000	—	—	—	—	—	—	—	—
	2,001-3,000	—	—	—	—	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—
	over 5,000	—	—	—	—	—	—	—	—
Tier 2 Public Safety and Firefighters Contributory Retirement System**	\$1-1,000	—	—	—	—	—	—	—	—
	1,001-2,000	—	—	—	—	—	—	—	—
	2,001-3,000	—	—	—	—	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—
	over 5,000	—	—	—	—	—	—	—	—

* Utah Governors and Legislators Retirement Plan provides a normal lifetime pension to the retiree and 50% of the retiree's benefit to the retiree's lawful spouse at the time of death if the retiree had four or more years of service.

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

Schedules of Average Benefit Payments

December 31

System			Years of Credited Service					
			4-10	11-15	16-20	21-25	26-30	31+
Noncontributory Retirement System	2008	Average Monthly Benefit	\$ 321	760	1,093	1,504	2,509	3,159
		Monthly Final Average Salary	2,194	3,052	3,403	3,801	4,599	5,080
		Number of Active Retired	361	268	339	265	527	322
	2009	Average Monthly Benefit	\$ 325	687	1,126	1,465	2,536	3,327
		Monthly Final Average Salary	2,427	2,949	3,557	3,752	4,727	5,419
		Number of Active Retired	472	309	401	350	565	443
	2010	Average Monthly Benefit	\$ 368	738	1,181	1,593	2,577	3,368
		Monthly Final Average Salary	2,565	3,148	3,747	4,117	4,783	5,475
		Number of Active Retired	463	324	418	385	642	465
	2011	Average Monthly Benefit	\$ 366	730	1,190	1,599	2,547	3,444
		Monthly Final Average Salary	2,682	3,093	3,650	4,112	4,866	5,589
		Number of Active Retired	528	391	425	412	486	387
	2012	Average Monthly Benefit	\$ 334	174	1,228	1,629	2,502	3,419
		Monthly Final Average Salary	2,526	3,182	3,860	4,119	4,774	5,516
		Number of Active Retired	629	422	423	441	463	367
Contributory Retirement System	2008	Average Monthly Benefit	\$ 330	453	1,141	1,228	2,043	2,322
		Monthly Final Average Salary	2,276	1,367	3,734	2,964	3,625	4,049
		Number of Active Retired	6	7	10	43	71	14
	2009	Average Monthly Benefit	\$ 774	466	1,033	1,157	1,983	2,807
		Monthly Final Average Salary	2,852	2,040	3,208	3,043	3,741	4,829
		Number of Active Retired	5	13	8	28	92	35
	2010	Average Monthly Benefit	\$ 441	696	792	1,112	2,234	2,824
		Monthly Final Average Salary	2,393	3,159	2,502	2,851	4,271	4,857
		Number of Active Retired	10	10	13	24	114	47
	2011	Average Monthly Benefit	\$ 290	415	1,135	1,326	2,054	2,609
		Monthly Final Average Salary	1,992	1,862	2,877	3,389	4,035	4,337
		Number of Active Retired	12	6	14	16	90	39
	2012	Average Monthly Benefit	\$ 371	561	1,252	1,452	2,126	2,712
		Monthly Final Average Salary	2,294	2,224	3,966	3,952	4,092	4,455
		Number of Active Retired	7	9	8	9	100	51

Schedules of Average Benefit Payments *(Continued)*

December 31

System			Years of Credited Service					
			4-10	11-15	16-20	21-25	26-30	31+
Public Safety Retirement System	2008	Average Monthly Benefit	\$ 945	1,124	2,099	2,668	3,358	4,333
		Monthly Final Average Salary	2,934	3,643	4,458	4,789	5,136	5,328
		Number of Active Retired	5	8	97	57	22	8
	2009	Average Monthly Benefit	\$ 972	1,115	2,288	2,498	3,526	4,080
		Monthly Final Average Salary	3,996	3,792	4,812	4,696	5,429	5,823
		Number of Active Retired	7	10	75	36	21	21
	2010	Average Monthly Benefit	\$ 766	1,591	2,124	2,632	3,616	4,211
		Monthly Final Average Salary	3,711	4,711	4,565	4,988	5,807	6,016
		Number of Active Retired	7	9	92	53	35	16
	2011	Average Monthly Benefit	\$ 661	1,494	2,132	2,612	3,371	4,766
		Monthly Final Average Salary	2,874	3,715	4,582	5,015	5,431	6,190
		Number of Active Retired	9	9	62	47	15	15
	2012	Average Monthly Benefit	\$ 717	1,397	2,187	2,498	3,613	3,969
		Monthly Final Average Salary	3,396	4,489	4,706	4,890	5,827	5,486
		Number of Active Retired	12	13	69	69	17	15
Firefighters Retirement System	2008	Average Monthly Benefit	\$ 1,852	2,582	2,581	2,893	3,808	3,814
		Monthly Final Average Salary	3,704	5,164	5,372	5,347	5,930	5,631
		Number of Active Retired	2	1	7	6	9	8
	2009	Average Monthly Benefit	\$ 2,416	2,036	2,230	3,028	3,534	4,891
		Monthly Final Average Salary	4,833	5,281	4,555	553	5,796	7,267
		Number of Active Retired	2	1	2	8	12	13
	2010	Average Monthly Benefit	\$ —	2,946	2,725	3,062	3,575	4,166
		Monthly Final Average Salary	—	5,891	5,620	5,735	5,978	5,845
		Number of Active Retired	—	1	12	5	14	12
	2011	Average Monthly Benefit	\$ —	2,554	2,686	3,112	3,852	4,228
		Monthly Final Average Salary	—	5,980	5,527	5,574	6,408	5,757
		Number of Active Retired	—	2	6	9	10	5
	2012	Average Monthly Benefit	\$ 1,731	2,094	2,398	3,315	4,288	4,871
		Monthly Final Average Salary	4,364	4,188	5,094	6,274	6,739	6,487
		Number of Active Retired	4	3	7	6	6	9

Continued on page 170.

Schedules of Average Benefit Payments (Continued)

December 31

System			Years of Credited Service					
			4-10	11-15	16-20	21-25	26-30	31+
Judges Retirement System	2008	Average Monthly Benefit	\$ 4,338	—	—	6,634	—	—
		Monthly Final Average Salary	9,171	—	—	10,321	—	—
		Number of Active Retired	2	—	—	1	—	—
	2009	Average Monthly Benefit	\$ 3,562	5,879	6,961	7,556	8,511	8,100
		Monthly Final Average Salary	7,227	10,750	10,774	10,445	10,932	10,644
		Number of Active Retired	1	1	1	3	1	3
	2010	Average Monthly Benefit	\$ —	6,564	7,389	8,036	—	9,027
		Monthly Final Average Salary	—	12,076	10,969	11,136	—	11,151
		Number of Active Retired	—	1	1	4	—	3
	2011	Average Monthly Benefit	\$ —	5,647	—	—	8,743	—
		Monthly Final Average Salary	—	10,666	—	—	11,013	—
		Number of Active Retired	—	3	—	—	1	—
	2012	Average Monthly Benefit	\$ —	—	6,768	—	—	9,697
		Monthly Final Average Salary	—	—	11,064	—	—	11,068
		Number of Active Retired	—	—	2	—	—	2
Utah Governors and Legislators Retirement Plan	2008	Average Monthly Benefit	\$ 191	362	433	549	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	3	3	1	1	—	—
	2009	Average Monthly Benefit	\$ 212	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	5	—	—	—	—	—
	2010	Average Monthly Benefit	\$ 190	324	—	465	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	3	1	—	1	—	—
	2011	Average Monthly Benefit	\$ 172	380	435	627	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	3	1	2	1	—	—
	2012	Average Monthly Benefit	\$ 158	320	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	6	2	—	—	—	—

Schedules of Average Benefit Payments *(Concluded)*

December 31

System			Years of Credited Service					
			4-10	11-15	16-20	21-25	26-30	31+
Tier 2 Public Employees Contributory Retirement System*	2011	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
	2012	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
Tier 2 Public Safety and Firefighters Contributory Retirement System*	2011	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
	2012	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—

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

Schedules of Active Members by Age and Gender

Year Ended December 31, 2012

System	Ages	Male	Female	Total
Noncontributory Retirement System	Under 20	5	8	13
	20 to 29	2,203	4,451	6,654
	30 to 39	7,575	10,328	17,903
	40 to 49	7,636	12,846	20,482
	50 to 54	4,156	8,309	12,465
	55 to 59	4,066	8,598	12,664
	60 to 69	3,858	7,472	11,330
	70 and Older	359	389	748
Total	29,858	52,401	82,259	

Contributory Retirement System	Under 20	—	—	—
	20 to 29	27	33	60
	30 to 39	98	71	169
	40 to 49	128	121	249
	50 to 54	217	228	445
	55 to 59	244	271	515
	60 to 69	225	251	476
	70 and Older	11	12	23
Total	950	987	1,937	

Public Safety Retirement System	Under 20	—	—	—
	20 to 29	947	91	1,038
	30 to 39	2,648	313	2,961
	40 to 49	1,928	281	2,209
	50 to 54	448	84	532
	55 to 59	303	59	362
	60 to 69	178	27	205
	70 and Older	4	2	6
Total	6,456	857	7,313	

Firefighters Retirement System	Under 20	1	—	1
	20 to 29	183	7	190
	30 to 39	792	25	817
	40 to 49	553	24	577
	50 to 54	143	1	144
	55 to 59	106	1	107
	60 to 69	48	—	48
	70 and Older	—	—	—
Total	1,826	58	1,884	

System	Ages	Male	Female	Total
Judges Retirement System	Under 20	—	—	—
	20 to 29	—	—	—
	30 to 39	—	—	—
	40 to 49	13	6	19
	50 to 54	12	9	21
	55 to 59	24	5	29
	60 to 69	32	7	39
	70 and Older	3	—	3
Total	84	27	111	

Utah Governors and Legislators Retirement Plan	Under 20	—	—	—
	20 to 29	1	—	1
	30 to 39	7	4	11
	40 to 49	27	4	31
	50 to 54	4	1	5
	55 to 59	23	3	26
	60 to 69	24	11	35
	70 and Older	3	1	4
Total	89	24	113	

Tier 2 Public Employees Contributory Retirement System	Under 20	95	128	223
	20 to 29	1,526	3,270	4,796
	30 to 39	919	1,596	2,515
	40 to 49	410	1,206	1,616
	50 to 54	163	390	553
	55 to 59	155	238	393
	60 to 69	125	117	242
	70 and Older	11	7	18
Total	3,404	6,952	10,356	

Tier 2 Public Safety and Firefighters Contributory Retirement System	Under 20	—	—	—
	20 to 29	277	22	299
	30 to 39	131	14	145
	40 to 49	22	9	31
	50 to 54	2	—	2
	55 to 59	—	—	—
	60 to 69	—	—	—
	70 and Older	—	—	—
Total	432	45	477	

Schedules of Retirees by Age and Gender

Year Ended December 31, 2012

System	Ages	Male	Female	Total
Noncontributory Retirement System	Under 55	221	354	575
	55 to 59	735	1,006	1,741
	60 to 64	2,175	3,573	5,748
	65 to 69	3,842	6,609	10,451
	70 to 74	3,328	5,286	8,614
	75 to 79	2,634	3,995	6,629
	80 to 84	1,736	2,588	4,324
	85 to 89	822	1,219	2,041
	90 to 94	121	195	316
	95 to 100	4	12	16
Over 100	—	1	1	
Total		15,618	24,838	40,456
Contributory Retirement System	Under 55	55	46	101
	55 to 59	104	109	213
	60 to 64	175	222	397
	65 to 69	232	394	626
	70 to 74	180	353	533
	75 to 79	115	276	391
	80 to 84	131	318	449
	85 to 89	194	523	717
	90 to 94	199	512	711
	95 to 100	50	169	219
Over 100	2	11	13	
Total		1,437	2,933	4,370
Public Safety Retirement System	Under 55	570	192	762
	55 to 59	531	159	690
	60 to 64	641	167	808
	65 to 69	650	144	794
	70 to 74	373	125	498
	75 to 79	265	101	366
	80 to 84	127	110	237
	85 to 89	40	47	87
	90 to 94	16	21	37
	95 to 100	3	9	12
Over 100	—	1	1	
Total		3,216	1,076	4,292
Firefighters Retirement System	Under 55	126	48	174
	55 to 59	136	27	163
	60 to 64	213	33	246
	65 to 69	182	37	219
	70 to 74	132	29	161
	75 to 79	66	24	90
	80 to 84	40	36	76
	85 to 89	31	23	54
	90 to 94	8	10	18
	95 to 100	1	2	3
Over 100	—	—	—	
Total		935	269	1,204

System	Ages	Male	Female	Total
Judges Retirement System	Under 55	—	—	—
	55 to 59	1	1	2
	60 to 64	13	4	17
	65 to 69	19	6	25
	70 to 74	14	3	17
	75 to 79	10	4	14
	80 to 84	9	12	21
	85 to 89	12	2	14
	90 to 94	—	7	7
	95 to 100	—	—	—
Over 100	—	—	—	
Total		78	39	117
Utah Governors and Legislators Retirement Plan	Under 55	—	2	2
	55 to 59	—	1	1
	60 to 64	4	2	6
	65 to 69	19	13	32
	70 to 74	20	8	28
	75 to 79	37	13	50
	80 to 84	26	26	52
	85 to 89	17	15	32
	90 to 94	11	6	17
	95 to 100	—	4	4
Over 100	—	—	—	
Total		134	90	224
Tier 2 Public Employees Contributory Retirement System*	Under 55	—	—	—
	55 to 59	—	—	—
	60 to 64	—	—	—
	65 to 69	—	—	—
	70 to 74	—	—	—
	75 to 79	—	—	—
	80 to 84	—	—	—
	85 to 89	—	—	—
	90 to 94	—	—	—
	95 to 100	—	—	—
Over 100	—	—	—	
Total				
Tier 2 Public Safety and Firefighters Contributory Retirement System*	Under 55	—	—	—
	55 to 59	—	—	—
	60 to 64	—	—	—
	65 to 69	—	—	—
	70 to 74	—	—	—
	75 to 79	—	—	—
	80 to 84	—	—	—
	85 to 89	—	—	—
	90 to 94	—	—	—
	95 to 100	—	—	—
Over 100	—	—	—	
Total				

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

Schedules of Principal Participating Employers

Year Ended December 31

System	Employer	2012			2011		
		Active Members	Rank	Percent of Total Active Member	Active Members	Rank	Percent of Total Active Members
Noncontributory Retirement System	State of Utah	14,450	1	17.57%	15,273	1	17.38%
	Granite School District	5,012	2	6.09	5,400	2	6.14
	Davis School District	4,871	3	5.92	5,113	3	5.82
	Alpine School District	4,659	4	5.66	5,095	4	5.80
	Jordan School District	3,099	5	3.77	3,239	6	3.68
	Weber School District	2,660	6	3.23	2,784	8	3.17
	University of Utah	2,646	7	3.22	3,895	5	4.43
	Salt Lake County	2,605	8	3.17	2,813	7	3.20
	Salt Lake School District	2,343	9	2.85	2,520	9	2.87
	Canyons School District	2,281	10	2.77	2,460	10	2.80
	Nebo School District	—	—	—	—	—	—
	Other	37,633		45.75	39,309		44.72
		Total Noncontributory System active members	82,259		100.00%	87,901	
Contributory Retirement System	State of Utah	269	1	13.89%	293	1	13.71%
	South Jordan City	177	2	9.14	196	2	9.17
	Uintah County	158	3	8.16	168	3	7.86
	Salt Lake City Corp.	93	4	4.80	104	5	4.87
	Granite School District	91	5	4.70	102	6	4.77
	DDI Vantage	85	6	4.39	94	7	4.40
	University of Utah	84	7	4.34	153	4	7.16
	Duchesne County	77	8	3.98	82	8	3.84
	University of Utah Hospital	56	9	2.89	—	—	—
	Salt Lake County	52	10	2.68	59	9	2.76
	Salt Lake School District	—	—	—	55	10	2.57
	Other	795		41.04	831		38.89
		Total Contributory System active members	1,937		100.00%	2,137	
Public Safety Retirement System	State of Utah	2,317	1	31.68%	2,390	1	31.37%
	Salt Lake County	494	2	6.76	540	2	7.09
	Salt Lake City Corp.	452	3	6.18	463	3	6.08
	Unified Police Department	377	4	5.16	329	4	4.32
	Utah County	239	5	3.27	236	6	3.10
	Weber County Corp.	237	6	3.24	249	5	3.27
	Davis County	201	7	2.75	208	7	2.73
	West Valley City	172	8	2.35	177	8	2.32
	Washington County	129	9	1.76	129	9	1.69
	Ogden City Corp	122	10	1.67	127	10	1.67
	Sandy City	—	—	—	—	—	—
	Other	2,573		35.18	2,771		36.37
		Total Public Safety System active members	7,313		100.00%	7,619	

Additional information will be added when it becomes available.

2010			2009			2008			2007			2006		
Active Members	Rank	Percent of Total Active Members	Active Members	Rank	Percent of Total Active Members	Active Members	Rank	Percent of Total Active Members	Active Members	Rank	Percent of Total Active Members	Active Members	Rank	Percent of Total Active Members
16,071	1	17.39%	16,435	1	17.72%	16,979	1	18.14%	16,948	1	18.91%	16,664	1	19.11%
5,781	2	6.26	6,148	2	6.63	6,130	2	6.55	5,922	2	6.61	5,363	3	6.15
5,330	4	5.77	5,433	4	5.86	5,501	4	5.88	5,391	4	6.02	5,187	4	5.95
5,551	3	6.01	5,487	3	5.91	5,354	5	5.72	4,910	5	5.48	4,697	5	5.39
3,366	6	3.64	3,560	6	3.84	5,819	3	6.22	5,705	3	6.37	5,448	2	6.25
2,861	8	3.10	2,875	8	3.10	2,859	9	3.06	2,793	9	3.12	2,670	9	3.06
4,217	5	4.56	4,274	5	4.61	4,406	6	4.71	4,453	6	4.97	4,480	6	5.14
2,869	7	3.11	2,968	7	3.20	3,084	7	3.30	2,981	7	3.33	2,909	7	3.34
2,683	9	2.90	2,842	9	3.06	2,950	8	3.15	2,805	8	3.13	2,689	8	3.08
2,637	10	2.85	2,572	10	2.77	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	2,465	10	2.63	2,330	10	2.60	2,917	10	3.34
41,026		44.40	40,172		43.30	38,029		40.64	35,367		39.47	34,195		39.19
92,392		100.00%	92,766		100.00%	93,576		100.00%	89,605		100.00%	87,219		100.00%
325	1	13.95%	387	1	15.39%	435	1	15.86%	473	1	16.58%	508	1	16.88%
203	2	8.71	208	2	8.27	212	2	7.73	207	2	7.26	216	2	7.18
187	3	8.03	193	3	7.67	191	4	6.96	188	4	6.59	185	4	6.15
112	6	4.81	128	6	5.09	137	6	4.99	144	6	5.05	156	6	5.18
114	5	4.89	131	5	5.21	141	5	5.14	150	5	5.26	162	5	5.38
91	8	3.91	82	8	3.26	76	10	2.77	—	—	—	—	—	—
162	4	6.95	178	4	7.08	195	3	7.11	207	3	7.26	214	3	7.11
104	7	4.46	90	7	3.58	87	7	3.17	85	8	2.98	79	10	2.62
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
61	9	2.62	80	9	3.18	90	8	3.28	97	7	3.40	107	7	3.55
58	10	2.49	67	10	2.66	—	—	—	78	10	2.73	83	9	2.76
913		39.18	971		38.61	1,179		42.98	1,223		42.88	1,300		43.19
2,330		100.00%	2,515		100.00%	2,743		100.00%	2,852		100.00%	3,010		100.00%
2,380	1	31.22%	2,448	1	31.81%	2,592	1	32.84%	2,444	1	32.21%	2,468	1	33.02%
547	2	7.17	828	2	10.76	860	2	10.89	783	2	10.32	763	2	10.21
480	3	6.30	480	3	6.24	479	3	6.07	472	3	6.22	448	3	5.99
293	4	3.84	—	—	—	—	—	—	—	—	—	—	—	—
233	6	3.06	238	5	3.09	244	5	3.09	233	5	3.07	223	5	2.98
246	5	3.23	252	4	3.27	266	4	3.37	275	4	3.62	291	4	3.89
209	7	2.74	209	6	2.72	208	6	2.63	206	6	2.72	199	6	2.66
177	8	2.32	175	7	2.27	176	7	2.23	169	7	2.23	159	7	2.13
126	9	1.65	123	8	1.60	120	9	1.52	113	9	1.49	107	10	1.43
119	10	1.56	117	9	1.52	122	8	1.55	122	8	1.61	114	8	1.53
—	—	—	109	10	1.42	115	10	1.46	108	10	1.42	109	9	1.46
2,814		36.91	2,716		35.30	2,712		34.36	2,662		35.09	2,593		34.70
7,624		100.00%	7,695		100.00%	7,894		100.00%	7,587		100.00%	7,474		100.00%

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Schedules of Principal Participating Employers (Concluded)

Year Ended December 31

System	Employer	2012			2011		
		Active Members	Rank	Percent of Total Active Member	Active Members	Rank	Percent of Total Active Members
Firefighters Retirement System	Unified Fire Authority	404	1	21.44	404	1	20.91%
	Salt Lake City Corp.	309	2	16.40	314	2	16.25
	Ogden City Corp.	109	3	5.79	110	3	5.69
	West Valley City	92	4	4.88	96	4	4.97
	Provo City	74	5	3.93	78	5	4.04
	Park City Fire Service	72	6	3.82	74	6	3.83
	City of West Jordan	72	6	3.82	73	7	3.78
	Sandy City	69	8	3.66	70	8	3.62
	Orem City	67	9	3.56	68	9	3.52
	Weber Fire District	56	10	2.97	—	—	—
	Murray City	—	—	—	56	10	2.90
	South Davis Metro Fire Agency	—	—	—	—	—	—
	Other	560		29.75	589		30.49
	Total Firefighters System active members		1,884		100.00	1,932	
Judges Retirement System	State of Utah	111	1	100.00	111	1	100.00%
Utah Governors and Legislators Retirement Plan	State of Utah	113	1	100.00	115	1	100.00%
Tier 2 Public Employees Contributory Retirement System	State of Utah	1,523	1	14.71	600	1	12.56%
	Alpine School District	1,072	2	10.35	574	2	12.02
	University of Utah	738	3	7.13	323	4	6.76
	Granite School District	638	4	6.16	336	3	7.03
	Davis School District	463	5	4.47	235	6	4.92
	Jordan School District	417	6	4.03	238	5	4.98
	Canyons School District	387	7	3.74	177	8	3.71
	Nebo School District	327	8	3.16	165	9	3.45
	Provo School District	310	9	2.99	186	7	3.89
	Salt Lake School District	302	10	2.92	165	10	3.45
	Other	4,179		40.34	1,778		37.22
Total Tier 2 Public Employees System active members		10,356		100.00	4,777		100.00%
Tier 2 Public Safety and Firefighters Contributory Retirement System	State of Utah	144	1	30.19	3	9	3.03%
	Salt Lake County	46	2	9.64	17	1	17.17
	Salt Lake City Corp.	34	3	7.13	6	3	6.06
	Davis County	12	4	2.52	4	5	4.04
	Murray City	9	5	1.89	—	—	—
	Duchesne County	8	6	1.68	—	—	—
	Cache County	8	6	1.68	—	—	—
	Utah Country	7	8	1.47	5	4	5.05
	Layton City	6	9	1.26	—	—	—
	Unified Police Department	6	9	1.26	—	—	—
	Park City Fire Service	—	—	—	8	2	8.08
	St. George City	—	—	—	4	6	4.04
	Ogden City Corp.	—	—	—	4	7	4.04
	West Valley City	—	—	—	4	8	4.04
	Grand County	—	—	—	3	10	3.03
	Other	197		41.28	41		41.41
	Total Tier 2 Public Safety and Firefighter System active members		477		100.00	99	

Additional information will be added when it becomes available.

2010			2009			2008			2007			2006		
Active Members	Rank	Percent of Total Active Members	Active Members	Rank	Percent of Total Active Members	Active Members	Rank	Percent of Total Active Members	Active Members	Rank	Percent of Total Active Members	Active Members	Rank	Percent of Total Active Members
356	1	18.87%	365	1	19.14%	352	1	19.04%	344	1	19.42%	229	2	13.60%
312	2	16.53	309	2	16.20	324	2	17.52	322	2	18.18	330	1	19.60
111	3	5.88	113	3	5.93	111	3	6.00	110	3	6.21	106	3	6.29
100	4	5.30	97	4	5.09	97	4	5.25	92	4	5.19	88	4	5.23
64	9	3.39	76	6	3.99	75	6	4.06	74	6	4.18	77	5	4.57
77	5	4.08	80	5	4.20	80	5	4.33	81	5	4.57	75	6	4.45
73	6	3.87	70	8	3.67	72	8	3.89	70	8	3.95	73	7	4.33
70	7	3.71	72	7	3.78	75	7	4.06	73	7	4.12	72	8	4.28
68	8	3.60	69	9	3.62	66	9	3.57	58	9	3.27	54	9	3.21
—	—	—	—	—	—	55	10	2.97	—	—	—	—	—	—
60	10	3.18	59	10	3.09	—	—	—	—	—	—	51	10	3.03
—	—	—	—	—	—	—	—	—	52	10	2.94	—	—	—
596		31.58	597		31.31	542		29.31	495		27.95	529		31.41
1,887		100.00%	1,907		100.00%	1,849		100.00%	1,771		100.00%	1,684		100.00%
109	1	100.00%	104	1	100.00%	106	1	100.00%	108	1	100.00%	106	1	100.00%
125	1	100.00%	119	1	100.00%	97	1	100.00%	97	1	100.00%	105	1	100.00%

Schedule of Utah Retirement Office Employees

Year Ended December 31

Year	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Number of employees	163	161	161	165	164	156	154	156	160	156

Utah Retirement Systems

Schedule of Participating Employers

N / Public Employees Retirement System — Noncontributory • C / Public Employees Retirement System — Contributory
 PS / Public Safety Retirement System • F / Firefighters Retirement System • T / Tier 2 Plans
 D / 457 Plan • K / 401(k) Plan

Employer	N	C	PS	F	T	D	K
School Districts and Education Employers							
Academy for Math, Engineering and Science Charter School	N				T		K
Active Re-Entry Incorporated	N				T		K
Alpine School District	N	C			T	D	K
Alpine Uniserv	N				T	D	K
American Leadership Academy	N				T		K
Beaver School District	N				T		K
Bonneville Uniserv	N				T	D	K
Box Elder School District	N	C			T	D	K
Bridgerland Applied Technology Center	N				T		K
Cache School District	N	C			T	D	K
Canyons School District	N				T		K
Carbon School District	N	C			T	D	K
Color Country Uniserv	N				T	D	K
Daggett School District	N	C			T	D	K
Davis Applied Technology Center	N				T		K
Davis School District	N	C			T	D	K
Davis Uniserv	N				T	D	K
Dixie Applied Technology College	N				T		K
Dixie State College	N	C	PS		T		K
Duchesne School District	N	C			T	D	K
East Hollywood High School	N				T		K
Educators Mutual Insurance	N	C			T	D	K
Emery School District	N	C			T	D	K
Fast Forward Charter High School	N				T		K
Garfield School District	N	C			T		K
Grand School District	N	C			T		K
Granite School District	N	C			T	D	K
Granite Uniserv	N				T	D	K
High Desert Uniserv	N				T	D	K
High School Activity Association	N	C			T		K
Intech Collegiate Charter High School	N				T		K
Iron School District	N	C			T	D	K
Itineris High School	N				T		K
Jordan School District	N	C			T	D	K
Jordan Uniserv	N				T	D	K
Juab School District	N	C			T	D	K
Kane School District	N	C			T	D	K
Liberty Academy Charter School	N				T		K
Logan School District	N	C			T	D	K
Master Academy, Inc.	N				T		K
Millard School District	N	C			T		K
Monticello Academy	N				T		K
Morgan School District	N				T	D	K
Mountainland Applied Technology Center	N				T		K
Murray School District	N	C			T	D	K
Nebo School District	N	C			T	D	K
Noah Webster Academy, Inc.	N				T		K
North Sanpete School District	N	C			T	D	K
North Summit School District	N	C			T	D	K
Northern Utah Academy of Math, Engineering and Science Charter School	N				T		K
Ogden School District	N	C			T	D	K
Ogden-Weber Applied Technical Center	N	C			T		K
Ogden Weber/NEA/UEA Uniserv	N				T	D	K

Employer	N	C	PS	F	T	D	K
Park City School District	N	C			T	D	K
Piute School District	N	C			T		K
Provo School District	N	C			T	D	K
Recreation and Habilitation Services	N				T		K
Rich School District	N	C			T		K
Salt Lake Arts Academy	N				T		
Salt Lake Community College	N	C			T	D	K
Salt Lake School District	N	C			T	D	K
Salt Lake/Tooele Applied Technical Center	N				T		K
San Juan School District	N	C			T	D	K
Sevier School District	N	C			T	D	K
Snow College	N	C			T	D	K
Soldier Hollow Charter School	N				T		K
South Sanpete School District	N	C			T	D	K
South Summit School District	N				T		K
Southern Utah University	N	C	PS		T		K
Southwest Applied Technology Center	N				T		K
Southwest Educational Development Center	N				T		K
Space Dynamics Lab/USU	N				T		K
Success Academy	N				T		K
Summit Academy Charter School	N				T		K
Summit Academy High School	N				T		K
Tintic School District	N	C			T		K
Tooele School District	N	C			T	D	K
Tuacahn High School	N				T		K
Uintah Basin Applied Technology Center	N	C			T	D	K
Uintah School District	N	C			T	D	K
University of Utah	N	C	PS		T		K
Utah County Academy of Sciences	N				T		K
Utah Education Association	N	C			T	D	K
Utah School Boards Association	N				T		K
Utah School Boards Risk Man Mut Ins Assn	N				T		K
Utah School Employee Association	N				T	D	K
Utah State University	N	C	PS		T	D	K
Utah Uniserv	N	C			T	D	K
Utah Valley State College	N	C			T	D	K
Wasatch School District	N	C			T	D	K
Wasatch Uniserv	N				T	D	K
Washington School District	N	C			T	D	K
Wayne School District	N				T	D	K
Weber County School District	N	C			T	D	K
Weber State University	N	C			T		K
Woodland Peaks Uniserv	N				T		

State and Other Employers

Heber Valley Historic Railroad Authority	N				T		K
State of Utah (also participates in the Judges Retirement System and the Governors and Legislators Retirement Plan)	N	C	PS	F	T	D	K
Utah Communications Agency Network	N				T		K
Utah Dairy Council	N				T		
Utah Housing Finance Agency	N	C			T		K
Utah Retirement Systems	N				T	D	K
Utah Safety Council	N				T		K
Utah State Fair Corporation	N				T		K
Workers Compensation Fund	N	C			T	D	K

Schedule of Participating Employers (Continued)

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

Schedule of Participating Employers (Continued)

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

Schedule of Participating Employers (Concluded)

Employer	N	C	PS	F	T	D	K
Uintah Animal Control and Shelter Special Service District.....	N				T		K
Uintah Basin Assistance Council	N				T		
Uintah Basin Association of Government	N				T		
Uintah County Care Center	N				T		K
Uintah County Mosquito Abatement.....	N				T		K
Uintah Fire Suppression Special Service Dist				F	T		K
Uintah Highlands Improvement Dist.....	N				T		
Uintah Recreation District	N				T		K
Uintah Transportation Special Service Dist.....	N				T		K
Uintah Water Conservancy District.....	N				T		
United Police Department.....	N		PS		T		K
Upper Country Water District	N						
Utah Association of Counties.....	N				T		K
Utah Counties Insurance Pool.....	N				T		K
Utah County Housing Authority	N	C			T	D	
Utah Local Governments Trust	N				T		K
Utah Lake Commission	N				T		K
Utah League of Cities & Towns		C			T		
Utah Municipal Power Agency	N				T		K
Utah Public Employees Association.....	N	C			T		K
Utah Telecommunication Open Infrastructure Agency.....	N				T		K
Utah Valley Dispatch Special Services Dist.....	N				T		K
Utah Zoological Society.....	N	C			T		K
Valley Emergency Communication Center	N				T	D	K
Valley Mental Health.....	N	C			T	D	K
Wasatch Front Regional Council.....		C			T	D	K
Wasatch Front Waste and Recycling District	N				T		
Wasatch Integrated Waste Management.....	N				T	D	K
Wasatch Mental Health Special Services District	N	C			T	D	K
Washington County Solid Waste #1	N				T		K
Washington County Water District.....		C			T		K
Weber Area Dispatch 911 & Emergency Services District..	N				T		K
Weber Basin Water Conservancy.....	N				T	D	K
Weber County Mosquito Abatement.....	N				T	D	K
Weber Human Services	N				T	D	K
Weber River Water Users		C			T		K
Western Kane County Special Service District #1	N				T		K
White City Water Improvement District	N				T		K

Total Participating Employers

Noncontributory	435
Contributory.....	159
Public Safety	130
Firefighters	57
Judges.....	1
Governor and Legislators	1
Tier 2 Public Employees.....	461
Tier 2 Public Safety and Firefighters.....	145
457 Plan	162
401(k) Plan	379

Inactive Units with Retirees

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

Utah Retirement Systems

A Highlight History 1907-2012



- 1907** The Legislature authorizes the organization of local teacher retirement associations.
- 1908** Salt Lake City institutes the first teacher retirement commission. Ogden follows in 1933 and Provo in 1934.
- 1919** First statewide pension plan for all full-time paid and volunteer firemen. Actuarially unsound, the system would be transferred to the Retirement Office in 1965.
- 1921** First police pension plans in Salt Lake, Ogden, Provo, and Logan. Actuarially unsound, these plans would be transferred to the Public Safety Retirement System in 1969.
- 1927** The Prison and Industrial School Guards Retirement System is enacted. Industrial school guards join the teachers retirement system in 1937. Prison guards transfer to the Public Safety Retirement System in 1970.
- 1934** The Utah Education Association prepares a teacher retirement plan to present to the Legislature. This plan will form much of the basis for a new retirement system.
- 1937** First statewide teachers retirement system. Seven member board hires Ray L. Lillywhite as the first executive secretary.
- 1943** Utah Supreme Court rules that a retiree's statutory retirement benefit cannot be reduced, affirming the principle of vested rights. The Court would later affirm that a vested retirement benefit may not be reduced without providing a "substantial substitute."
- 1947** The State Officers' and Employees' Retirement System is created with a 3% contribution rate each by employee and employer.
Teachers in local systems are required to join the State Teachers Retirement System.
- 1948** The Utah Supreme Court permits service credit for prior service in parochial schools.
- 1949** The State Officers and Employees Retirement System is renamed The Public Employees Retirement System; it will cover all public employees and judges. Retirement benefit ceiling is \$100 a month.
- 1952** Ray Lillywhite resigns; Leonard W. McDonald is hired as second executive secretary of the Teachers Retirement System.
- 1953** The short-lived Teachers Retirement System is liquidated in favor of Social Security.
- 1954** The Teachers Retirement System is replaced by the Utah School Employees Retirement System and integrated with Social Security to preserve its solvency. Local teacher retirement associations are terminated.

A Highlight History 1907-2012 *(Continued)*

- 1957** Minimum monthly retirement benefit is \$85.
- 1959** The Utah State Public Employees Association is formed with the intent to produce a comprehensive plan for a statewide public employee retirement system.
- 1961** The Public Employees Retirement System is created with a seven member board.
- The public employees and teachers retirement systems retain separate boards but unite under a single administrator and office.
- 1963** Creation of a single board for all retirement systems is the crowning achievement in Utah public retirement history and the birth of today's Utah Retirement Systems.
- 1967** The heretofore separate school and public retirement systems are consolidated into a single Utah State Retirement System.
- 1969** The Utah Public Safety Retirement Act covers all public safety employees engaged full time in hazardous duty. Benefits were uniform in each jurisdiction, but contribution rates varied.
- 1971** Members gain a salary deferral program.
- 1975** Current service formula rises from 1.25% to 2%. The cost-of-living ceiling rises to 4%.
- 1976** Leonard W. McDonald retires. Bert D. Hunsaker becomes executive director.
- 1977** Governor Scott Matheson dedicates the new Leonard W. McDonald Building for the Utah Retirement Systems.
- 1979** Board gains custody of the retirement fund and greater investment authority.
- 1982** The court affirms that the Board is independent of the executive department and has authority to hire its own legal counsel.
- 1983** The Retirement Board sees its first actuarial surplus as new investments prove their worth; hires a full-time investment manager.
- 1986** Public Employees Noncontributory Retirement System debuts: employers pay all contributions; 3-year final average salary; State and education employers pay 1.5% of salary into URS' 401(k) Plan. Employees forfeit access to contributions, but the new system portends a superior career retirement.
- 1987** A "25-and-out" retirement incentive plan permits public employees to retire after 25 years with no actuarial reduction; and increases to 2% the value of each year of service. Over 3000 employees take advantage of its 6-month window.
- 1989** The U.S. Supreme Court rules that if federal retirement benefits are taxable, then state-provided retirement benefits cannot be exempt. Legislature grants a 3% substantial substitute benefit for affected members.
- Bert Hunsaker steps down. Dee Williams becomes executive director.
- The Public Safety Noncontributory Retirement System is created.
- The Systems' assets nearly quadruple from \$1 billion to \$3.85 billion during the 1980s.
- 1990** Public Employees Noncontributory Retirement members receive 2% for all years of service.
- 1994** URS begins dividing pension, death, and DC benefits after court rules that a former spouse may be awarded death and retirement benefits, whether or not the spouse remarries.
- 1995** Members with 25 years of service in the Public Employees Noncontributory System may buy future service credit to permit immediate retirement.
- 1996** URS recovers 100% of member assets originally invested in Guaranteed Investment Contracts that failed when Confederation Life Insurance Company of Canada was declared insolvent in August 1994.
- 1997** Judges Noncontributory Retirement System is created.
- The URS DC video receives a Telly Award — the commercial equivalent of an "Oscar" for motion pictures; URS' publication for retirees, *Cycles*, places second worldwide among corporate and institutional newsletters.
- Legislature affirms the Board's authority to define provisions and terms of the retirement code.
- 1998** The 401(k) Plan launches a bold marketing program to help members better map a retirement investment strategy. Investment options are enhanced and expanded.
- State employees at retirement may defer 25% of accumulated sick leave to the 401(k) Plan, convert it to paid-up health or Medicare supplement insurance or take it as cash.

A Highlight History 1907-2012 *(Concluded)*

- 1999** Members may buy up to five years of future service credit, even if it exceeds the years required to retire.
- Leonard W. McDonald, director of the Utah Retirement Systems 1952-1976 and to whom much of the structure of the Systems can be attributed, dies.
- Dee Williams retires. Robert V. Newman becomes executive director.
- Systems' assets rise from \$3.85 billion to over \$13 billion during the 1990s.
- 2000** 401(k) Plan participants may now apply for a fixed rate loan for any purpose of up to 50% of his or her 401(k) account balance.
- 2001** A value stock fund joins the menu of DC investment options.
- URS website calculators invite members to estimate pension benefits and compute potential 401(k)/457 earnings.
- 2002** The Olympic Winter Games are staged in Salt Lake City. URS adopts telecommuting.
- 457 Plan permits deferrals up to 100% of includable compensation; offers a new catch-up feature; drops irrevocable withdrawal decisions; allows rollovers to any acceptant 457, 403(b), 401(k), or IRA; allows use for URS pension redeposits or to buy URS service credit.
- Internet-based personal retirement account manager, myURS, lets members view and transfer account balances, alter deferrals, estimate payouts, integrate Social Security, and more.
- 2003** To protect 401(k) and 457 investors from the costs of others' adverse trading activities, URS restricts frequent trading privileges. Systems' assets are \$14.2 billion.
- 2004** Ray L. Lillywhite, executive secretary of the Teachers Retirement System from 1937 to 1952, dies.
- 2005** Legislature repeals 1998 benefit allowing 25% of a state employee's accumulated sick leave to be converted to other retirement benefits.
- 2006** Members gain a partial lump-sum payment option (PLSO) at retirement.
- 2007** Retirement Systems' assets reached \$23.9 billion.
- Members of the Public Safety Contributory Retirement System gain a window to convert to the Public Safety Noncontributory System.
- 2008** The Retirement Systems pay over \$1,000,000,000 in annual benefits.
- 2009** New online enrollment feature at urs.org offers simple, convenient way to enroll for benefits electronically.
- IRS Private Letter Ruling confirms URS 457 Plan is an eligible deferred compensation plan as defined in IRC Section 457(b).
- 2010** Retirees who resume work for a URS employer within a year after retiring will be returned to active status to earn further service credit and may thereafter choose between retirement allowance options.
- 2011** URS creates the Tier 2 Retirement System for members initially entering full-time employment with a participating employer on or after July 1, 2011. These employees choose to participate in either the Tier 2 Hybrid Retirement System or the Tier 2 Defined Contribution (DC) Plan.
- The URS Defined Contribution Department introduces a new and expanded set of asset classes within the Horizon Funds. The changes bring a broader, more diversified mix of securities to the Horizon Funds and offer inflation protection as well as exposure to real estate and commodities.
- 2012** Legislative bills brought about four noteworthy changes for the Utah Retirement Systems. First, the executive director of the Department of Corrections is now allowed to exempt from the Tier 1 Noncontributory Retirement System. Second, Tier 2 firefighters, including volunteers, are covered under the PEHP long-term disability policy. Third, certain Tier 2 Retirement Systems at-will employees are allowed to exempt from the 4-year vesting requirements. And fourth, new legislators and governors will not receive post-retirement health benefits.

Systems and Plans Statistical Highlights

Year Ended December 31, 2012

Defined Benefit Systems

	Noncontributory	Contributory	Public Safety	Firefighters	Judges	Governors and Legislators	Tier 2 Public Employees	Tier 2 Public Safety and Firefighters	Averages and Totals All Systems
Membership Information									
Total Membership	157,834	7,464	14,494	3,254	232	418	10,356	477	194,529
Active	82,259	1,937	7,313	1,884	111	113	10,356	477	104,450
Terminated vested	35,119	1,157	2,889	166	4	81	—	—	39,416
Retired	40,456	4,370	4,292	1,204	117	224	—	—	50,663
Total 2012 Active Members	82,259	1,937	7,313	1,884	111	113	10,356	477	104,450
Average age	47.2	53.6	40.5	40.6	57.4	53.4	34.0	29.6	45.4
Average years of service	12.3	22.1	9.6	11.2	10.7	6.7	0.6	0.6	11.0
Average annual salary	\$ 44,828	50,504	48,416	56,507	132,644	NA	27,030	33,394	43,629
2012 Retirees									
Number	2,745	184	195	35	4	8	—	—	3,171
Average age	63.8	61.9	54.9	56.3	63.9	65.4	—	—	63.1
Average years of service	19.8	27.9	21.4	26.1	24.5	7.2	—	—	20.4
Final average annual salary	\$ 46,004	47,817	57,356	71,280	132,290	NA	—	—	47,079
Average annual benefit	\$ 17,894	24,303	28,745	42,510	94,702	2,264	—	—	19,263
Average annual benefit —all retirees	\$ 20,841	14,863	27,693	32,584	74,705	3,160	—	—	21,231
Financial Information									
Changes in Net Assets <i>(in thousands)</i>									
Contributions	\$ 659,921	18,667	119,130	34,824	5,898	214	14,208	1,031	853,893
Investment income	2,000,995	131,169	266,753	96,255	15,485	1,100	922	56	2,512,735
Pension benefits	900,132	70,629	128,153	43,316	9,135	815	—	—	1,152,180
Net assets at market value	\$17,629,437	1,136,651	2,366,057	853,778	136,127	9,445	17,933	1,171	22,150,599
Actuarial Information									
Funding Progress <i>(dollars in thousands)</i>									
Actuarial value of assets	\$17,007,940	1,094,885	2,283,777	824,060	131,217	9,077	17,818	1,161	21,369,935
Actuarial accrued liability	\$22,361,197	1,285,972	3,129,084	955,668	175,817	12,323	17,890	1,157	27,939,108
Unfunded (overfunded) actuarial accrued liability	\$ 5,353,257	191,087	845,307	131,608	44,600	3,246	72	(4)	6,569,173
Funded ratios	76.1%	85.1%	73.0%	86.2%	74.6%	73.7%	99.6%	100.3%	76.5%

Defined Contribution Plans

	401(k)	457	Roth IRA	Traditional IRA	Health Reimbursement Arrangement (HRA)	Total
Membership Information						
Number of Active Employees Eligible to Participate	104,410	98,052	104,450	104,450	1,899	
Employee contributions (excluding employer contributions):						
Number of employees contributing	39,362	8,251	2,949	215	NA	
Percent of eligible employees contributing	37.7%	8.4%	2.8%	0.2%	NA	
Average percent of salary deferred by employees	5.7%	6.0%	3.7%	2.8%	NA	
Total participants	150,242	16,623	3,996	891	1,899	
Average participant account balance	\$ 21,385	21,680	8,446	43,316	6,039	
Financial Information						
Changes in Net Assets <i>(in thousands)</i>						
Contributions	\$ 218,888	24,501	7,685	9,799	4,092	264,965
Net investment income	313,374	35,065	3,256	2,811	22	354,528
Refunds	194,538	19,877	1,538	3,967	1,736	221,656
Total net assets	\$3,212,874	360,381	33,750	38,595	11,469	3,657,069



Utah Retirement Systems
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Salt Lake City
Utah 84102-2044
www.urs.org

Pictured above: ANNETTE LOVELAND (Teacher) with Richard, Kalinka, Christopher and Alinna, Utah School of the Deaf and Blind, Ogden

Pictured on the front cover: ERIC HOCKRIDGE, Firefighter, Park City Fire District, Park City