

2023 ANNUAL SUMMARY REPORT TO MEMBERS

# A Reliable Reservoir

**A Deep Dive Into URS Finances** » By ensuring adequate inflows and funding levels, we'll make sure the water's perfect when you're ready to jump into retirement.

9.4%  
FUND GROWTH  
IN 2023

\$45.3  
BILLION  
TOTAL NET  
ASSETS IN 2023

\$9.2  
BILLION  
2023 SAVINGS PLANS  
MEMBER BALANCES





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How we provide retirement security for those who serve Utah. Page 3

**Benefiting Utah**

How we impact lives and strengthen communities across the state. Pages 4-5

**Investing for Your Future**

How we carefully invest across a diverse range of assets. Pages 6-7

**Growing to Meet Obligations**

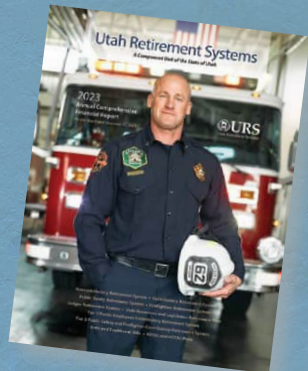
How the pension fund continued to thrive in 2023. Pages 8-9

**Financials**

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**To Learn More**

This Summary Report contains excerpts from the URS 2023 Annual Comprehensive Financial Report, containing detailed financial information about URS. Find it at [www.urs.org/2023](http://www.urs.org/2023).

*From the Executive Director*  
**This Reservoir is Built to Withstand All Conditions**

Dear Valued Member:

**W**e Utahns keenly understand how yearly precipitation trends affect reservoir levels in our state. From Lake Powell to Bear Lake, just a few years of meager rain and snow can create critical drought conditions across the state. Likewise, one good year of above-average precipitation, like the record-breaking snow Utah experienced in 2023, can profoundly improve water levels.



In some ways, the URS pension fund is like a reservoir. We tap into this critical resource to provide your future retirement benefits. We carefully calculate and maintain the right funding levels to reliably provide required future outflows.

But in another important way, the URS pension fund is very different. Unlike the bodies of water that provide their precious resource to Utahns, this reservoir is much more resilient. It's built to withstand financial markets' natural ebbs and flows. Whereas just a year or two of weather patterns can bring immediate consequences to Utah's water table, the pension fund is much more stable. We invest in a careful, diverse way to maximize long-term returns throughout market cycles, emphasizing downside protection. As we like to say, it's built for all seasons.

I invite you to dip your toe into some key URS metrics and statistics in this Annual Summary Report to Members. You'll learn how the pension fund is invested and how it's grown through the years. But it's important to understand that no single year defines the trajectory or overall condition of the fund. It's designed to anticipate and withstand fluctuating markets, meaning short-term investment gains or losses are just a drop in the bucket.

Nevertheless, in the same way 2023 was a bountiful year for Utah's reservoirs, so too was it a time of growth for the URS pension fund. Its investment earnings grew 9.4% to \$45.3 billion to remain one of the most well-funded public pension plans in the nation.

Whether it's clear sailing ahead in the financial markets or if the waters turn turbulent, the URS pension fund is a stable, reliable reservoir for the retirement security of Utah public employees.

Daniel D. Andersen, URS Executive Director

**9.4%**

FUND GROWTH IN 2023

**\$45.3 billion**

TOTAL FUNDS IN 2023

*The Reason for the Reservoir*  
**Serving Our Members**

**URS** members — you're the reason for the reservoir. URS exists to provide retirement security for Utah public employees, a community of more than 250,000 current and past public sector workers, including teachers, firefighters, police officers, and others who provide vital services. We're proud to publish this annual summary report to share our latest news and statistics with you.

This report is also an opportunity to showcase our latest photo collection of URS members in their diverse work environments. These images are displayed throughout our offices with pride. Each of you are the daily reminder of our important mission.

**80,391**  
 RETIREES

**258,331**  
 MEMBERS

**492**

PUBLIC EMPLOYERS



**A Snapshot of You** *When we pose all of you together, we get this picture.*

2023	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors & Legislators Plan	Tier 2 Public Employees System	Tier 2 Public Safety & Firefighter System	Tier 2 Defined Contribution Only	Averages and Totals All Systems
<b>Total Membership</b>	156,936	4,427	15,637	3,386	296	337	55,493	6,653	15,166	258,331
Active	43,206	210	3,662	1,225	121	30	46,233	5,978	12,059	112,724
Terminated vested	46,748	830	4,644	470	9	70	8,670	668	3,107	65,216
Retired	66,982	3,387	7,331	1,691	166	237	590	7	—	80,391
<b>Active Members</b>	43,206	210	3,662	1,225	121	30	46,233	5,978	12,059	112,724
Average age	51.9	60.3	46.4	47.5	54.9	60.2	39.0	32.0	39.0	44.0
Average years of service	19.1	32.0	19.2	19.6	15.0	17.9	4.5	4.8	5.0	10.9
<b>2023 Retirees</b>	3,008	56	226	58	4	7	118	—	N/A	3,477
Average age	64.4	65.3	54.0	54.3	67.8	69.6	67.4	—	N/A	63.7
Average years of service	21.6	28.3	22.4	25.7	14.4	10.3	7.7	—	N/A	21.4
<b>All Retirees</b>										
Average annual benefit	\$ 26,001	27,421	33,765	42,926	109,499	4,309	4,346	6,199	N/A	27,068

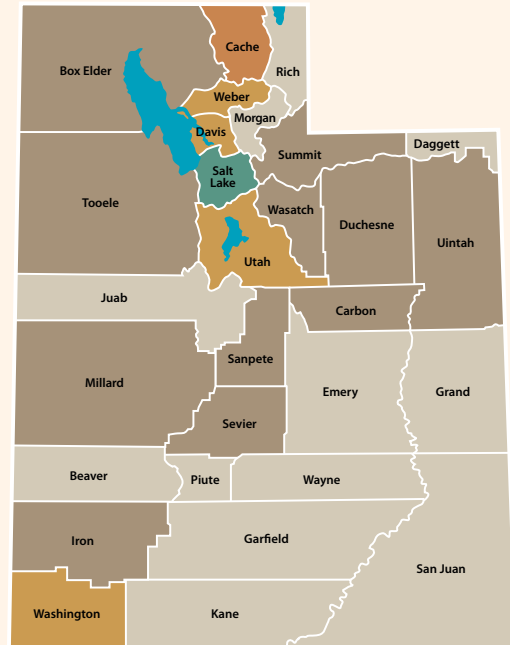
*Left side, top to bottom:*

- Jared Taylor**  
Division Chief  
Weber Fire District
- Dianna Gibson**  
Judge, Utah State Courts
- John Andersen**  
Airfield Maintenance Specialist  
Salt Lake City Airport
- Liesl Jacobson**  
Manager, Children's Department  
Salt Lake City Public Library

*Right side, top to bottom:*

- Kendell Vance**  
Firefighter, South Davis  
Metro Fire Department
- Michele Rehbein**  
District Education Specialist  
Salt Lake City
- Nayeli Stalling**  
Mosquito Abatement District  
Detective  
Grantsville Police Department
- Mikelshan Bartschi**  
Lieutenant  
Cache County Sheriff's Office





**2023 BENEFITS PAID BY AMOUNT**  
 \$0-15 million \$15-50 million \$50-100 million \$100-400 million \$400-700+ million

### Pension Payouts in Utah

Retirees Who Live in Utah Characteristics by County

County	Recipients	Dollars Paid
Salt Lake County	24,527	\$742,539,683
Utah County	10,345	\$300,015,272
Davis County	7,680	\$231,008,063
Weber County	6,270	\$174,002,661
Washington County	4,673	\$126,222,608
Cache County	3,072	\$82,540,707
Box Elder County	1,625	\$40,579,916
Tooele County	1,454	\$37,711,249
Iron County	1,338	\$33,989,966
Sanpete County	1,215	\$29,913,250
Sevier County	1,048	\$28,727,904
Summit County	875	\$27,171,796
Wasatch County	816	\$23,119,761
Uintah County	904	\$20,310,157
Carbon County	810	\$19,411,622
Duchesne County	762	\$17,180,522
Millard County	590	\$15,657,543
San Juan County	466	\$11,900,264
Emery County	495	\$11,858,464
Morgan County	356	\$10,727,794
Juab County	388	\$10,197,171
Grand County	329	\$8,035,894
Beaver County	242	\$6,316,376
Garfield County	228	\$5,847,126
Kane County	237	\$5,092,647
Wayne County	158	\$4,305,444
Rich County	108	\$2,769,074
Piute County	79	\$1,840,835
Daggett County	71	\$1,430,748
<b>Total</b>	<b>71,161</b>	<b>\$2,030,424,517</b>

## Downstream Effects Benefiting Utah

A healthy reservoir has many positive downstream effects. Not only does URS provide financial stability for thousands of Utah public employees and their families, our impact can be felt more broadly across the state ecosystem. Our benefits help attract and retain a vibrant, stable public workforce. They support stronger, more secure communities. They also give our state a significant, reliable economic boost each year.

### Pension Provides Significant Income

**\$2.0 billion**

IN PENSION PAYOUTS IN UTAH

In 2023, URS paid more than \$2 billion in pension benefits to 71,161 Utahns, an amount so large, it's equivalent to more than 1% of the state's total personal income. For perspective, this is larger than the earnings paid by many entire industries in Utah, including motor vehicle and parts dealers, truck transportation, and repair and maintenance. More than 90% of URS pension payouts in 2023 went to retirees living in Utah, including \$743 million to Salt Lake County retirees alone.

**71,161**  
TOTAL RECIPIENTS

Pension payments by county are shown at left.

### Supporting Jobs, Taxes, GDP

**9,400**

JOBS SUPPORTED (2021)

URS pension payments help keep Utah's economy buzzing, supporting thousands of jobs and significantly boosting the tax base. A 2021 study by the University of Utah's Kem C. Gardner Policy Institute shows how these payments ripple throughout the state's economy. The economic activity generated by URS pension payments in 2021 supported more than 9,400 Utah jobs, \$453 million in wages, and \$84 million in state and local tax revenue, for an

**\$453 million**

OF EARNINGS FROM THESE JOBS (2021)

**\$84 million**

STATE AND LOCAL TAX REVENUE (2021)

## Maintaining Your Retirement Reservoir

When you're ready to open the spigot and **start collecting your retirement benefits, you'll tap into the URS pension fund.** URS vigilantly maintains this fund, assuring adequate levels of resources for current and future retirees. Several dynamic factors impact the required funding levels.

### Inflows

Your employer contributes on your behalf each pay period to **fund your retirement benefit.** Depending on the projected needs to fill the reservoir, this amount — **the pension contribution rate** — can vary from year-to-year. Some systems may require a small member contribution if this rate exceeds a certain level.

### Investment Growth

Most of the money in the reservoir consists of **investment earnings.** In fact, over the last 20 years, about two-thirds of the money paid to retirees comes from investment earnings.

### Outflows

The reservoir must be **filled** not just for **current retirees** but also in anticipation of **future retirees.** Trends in life expectancy and benefit amounts can impact anticipated future outflows.



### A DEEPER DIVE

URS serves 492 Utah public employers. They include the State of Utah, school districts, higher education, municipalities, special service districts, and more. URS pension benefits help these employers recruit and retain talent in order to maintain a stable workforce and provide consistent public service. To see a full list of URS Participating Employers, go to [www.urs.org/us/employerlist](http://www.urs.org/us/employerlist).

**1.1%**

of the State's Total Income





## Built for All Seasons

# Carefully Managed Reservoir

Trying to predict market cycles is like trying to predict the weather. We expect the unexpected. Therefore, we invest the pension fund to perform in all market conditions. It's built for all seasons.

We invest with the specific objective of meeting our assumed rate of return while moderating risk and volatility. We construct the portfolio to be less reliant on public equity, preserve capital in adverse markets, and be positioned for quick recoveries following market downturns.

In the abundant seasons, we may not get the same lofty returns as our peers in the public pension space. But in drought seasons, we generally outperform. In negative global equity markets, such as 2008, 2011, 2015, and 2022, URS has been either in the top 10% of our peer group or just below it. By preserving principal, the compounding effect going forward is greater, producing more wealth in the long run.

We achieve our strategy by investing in a diverse range of asset classes, including stocks, bonds, real assets, and private equity, as well as assets designed to achieve returns that have little correlation to others.

### Portfolio Performance Expectations

Compared to a traditional portfolio, URS has more options to generate returns, diversify, and reduce risk. Our asset allocation is designed to be less reliant on public equity and more diversified. Higher allocations to public equity create higher portfolio risk and volatility and can lead to higher volatility in employer costs.



**Strong Markets:**  
Outperform return objectives; however, may not outperform portfolios with higher allocations to public equity.



**"Normal" Markets:**  
Achieve return objectives.

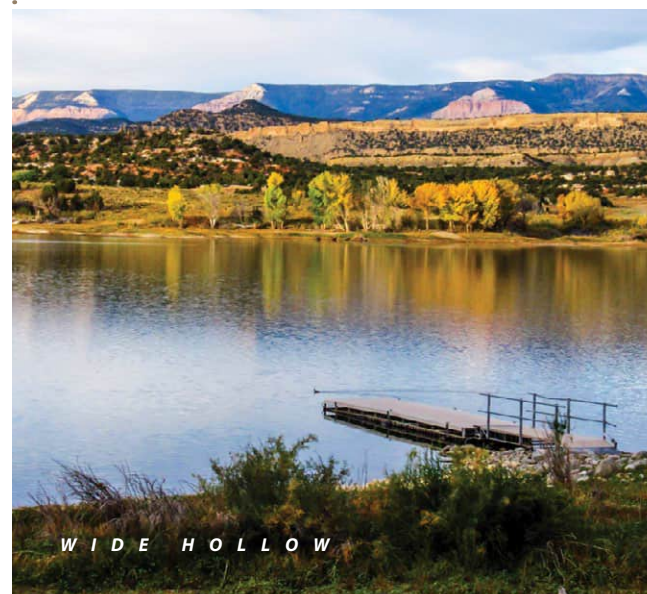


**Negative Markets:**  
Preserve capital, enable quick recovery and compounding.



### A DEEPER DIVE

*By law, URS is obligated to act as a fiduciary to you. A fiduciary is a person or organization that makes financial decisions on the behalf of someone else and is legally obligated to act only in their best financial interests. URS invests in accordance with its fiduciary responsibilities, following the prudent investor rule, for the sole purpose of maximizing risk-adjusted returns for the benefit of Utah public employees.*



## Where Pension Funds Were Invested

As of December 31, 2023

- Equities** 33.9%  
Stocks make us part owner and beneficiary of many successful companies around the world.
- Real Assets** 19.2%  
Investments include real estate, agriculture, energy, timber, and commodities.
- Absolute Return** 16.3%  
These strategies strive to achieve returns that have little correlation to the other asset classes.
- Debt Securities** 15.3%  
Whether financing a country's or a corporation's need for money, bonds yield a steady stream of income.
- Private Equity** 12.4%  
Although supplying capital to fund private companies is riskier than some investments, returns are expected to outperform public equity markets over the long term.
- Short-term Securities** 2.9%  
Allow URS ready funds to make advantageous moves.



QUAIL CREEK



*Measuring the Levels*  
**Consistently Rising Reservoir**

One year of investment returns represents little more than an individual drop of water in a mighty oasis. Over decades of careful stewardship, the URS pension fund has become a deep, resilient reservoir for the retirement security of generations of Utah public employees.

A year after major stock indexes suffered their worst year since 2008, financial markets rebounded in 2023. Largely for this reason, the pension fund grew 9.4% last year and ended 2023 at a net position of \$45.3 billion.

We don't expect, nor do we need, such robust growth each year to keep the reservoir adequately filled. This reservoir is built to maximize long-term returns over market cycles, emphasizing downside protection in times of drought.

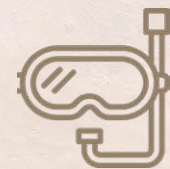
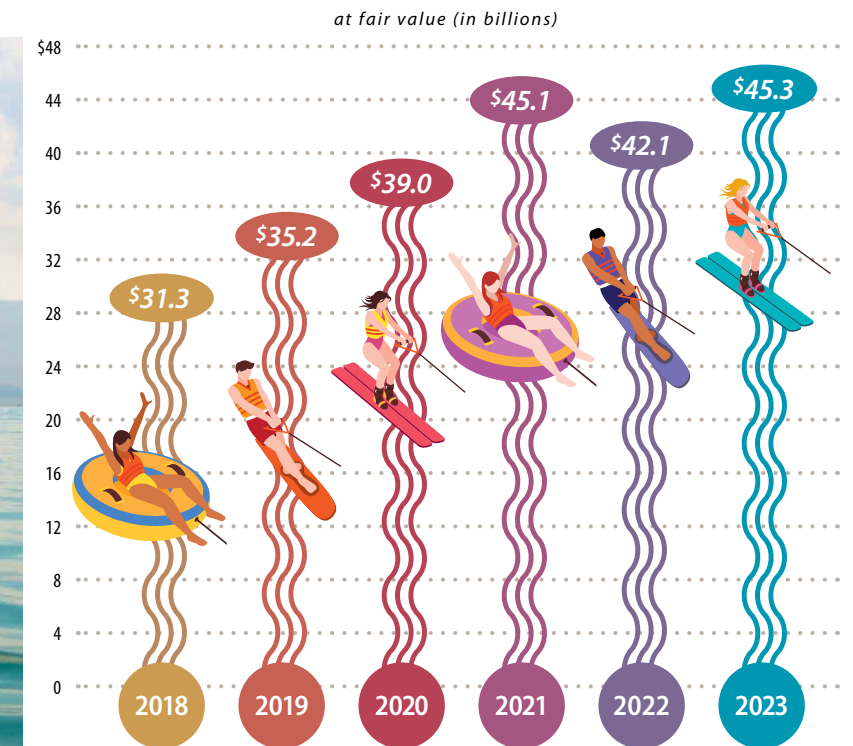
**\$45.3 billion**  
 TOTAL NET ASSETS



**\$18.7 billion**  
 INCREASE SINCE 2014

**Defined Benefit Pension Assets**

**Our asset growth has been fueled by wise investments.**  
 As of December 31, 2023, the net position of the pension fund was worth \$45.3 billion. Here's how the pension fund has grown in recent years.



**A DEEPER DIVE**

Not all URS members have a pension benefit. Members in the Tier 2 system, those hired on or after July 1, 2011, choose between two retirement options. One option is the Tier 2 Defined Contribution Plan, sometimes called the 401(k) Option. If a member chooses this option, instead of earning credit toward a pension benefit, their employer contributes a portion of their salary into a 401(k) on their behalf. If you're new to URS and want more information on your Tier 2 choice and how to get started with URS, go to [www.urs.org/us/steps](http://www.urs.org/us/steps).



**A DEEPER DIVE**

The URS Mission Statement is more than just words, it's the compass that guides the organization:  
**We serve Utah public employees with retirement and insurance benefits in a partnership of trust with a commitment to value, innovation, and excellence.**  
 This idea guides us in all the actions and decisions we make through the years on behalf of our members.



# Financials

## Net Position

Statements of Fiduciary Net Position present the assets of the Systems that have been accumulated for the payment of your retirement benefits.

### UTAH RETIREMENT SYSTEMS Statements of Fiduciary Net Position — Pension Trust Funds

December 31, 2023 (in thousands)

Total Defined Benefit Pension Plans	
<b>Assets:</b>	
Cash	\$ 4,898
Receivables:	
Member contributions	1,118
Employer contributions	80,448
Court fees and fire insurance tax	260
Investments	305,720
<b>Total receivables</b>	<b>387,546</b>
Investments at fair value:	
Short-term securities	1,314,525
Debt securities	6,971,061
Equity investments	15,404,466
Absolute return	7,416,106
Private equity	5,615,048
Real assets	8,743,924
<b>Total investments</b>	<b>45,465,130</b>
Invested securities lending collateral	1,282,268
Property and equipment at cost, net of accumulated depreciation	26,787
<b>Total assets</b>	<b>47,166,629</b>
<b>Liabilities:</b>	
Securities lending liability	1,282,268
Disbursements in excess of cash balance	59,677
Compensated absences, post-employment benefits and insurance reserve	25,425
Investment accounts payable	396,605
Real estate liabilities	99,999
<b>Total liabilities</b>	<b>1,863,974</b>
<b>Net position restricted for pensions</b>	<b>\$ 45,302,655</b>

## Net Position Liability/(Asset)

The Net Pension Liability/(Asset) is the difference between the Total Pension Liability (present value of projected benefit payments) and the Plan Fiduciary Net Position (market value of assets held in trust to pay retirement benefits).

Retirement System	UTAH RETIREMENT SYSTEMS Schedules of Net Pension Liability/(Asset) December 31, 2023					
	(1) Total Pension Liability	(2) Plan Fiduciary Net Position	(3) Employers' Net Pension Liability/(Asset) (1) - (2)	(4) Plan Fiduciary Net Position as a % of the Total Pension Liability (2) / (1)	(5) Projected Covered Payroll	(6) Pension Liability/(Asset) as a % of Covered Payroll (3) / (5)
Noncontributory	\$ 37,046,805	34,845,009	2,201,796	94.1%	\$ 3,392,657	64.9%
Contributory	1,237,518	1,226,842	10,676	99.1	18,977	56.3
Public Safety	5,553,211	5,140,567	412,644	92.6	339,221	121.6
Firefighters	1,621,800	1,815,120	(193,320)	111.9	116,760	(165.6)
Judges	315,240	280,984	34,256	89.1	22,225	154.1
Utah Governors and Legislative	13,015	12,532	483	96.3	724	66.7
Tier 2 Public Employees	1,868,189	1,673,551	194,638	89.6	2,459,139	7.9
Tier 2 Public Safety and Firefighters	345,719	308,050	37,669	89.1	339,569	11.1
<b>Total</b>	<b>\$ 48,001,497</b>	<b>45,302,655</b>	<b>2,698,842</b>	<b>94.4%</b>	<b>\$ 6,689,272</b>	<b>40.3%</b>

## Additions and Deductions

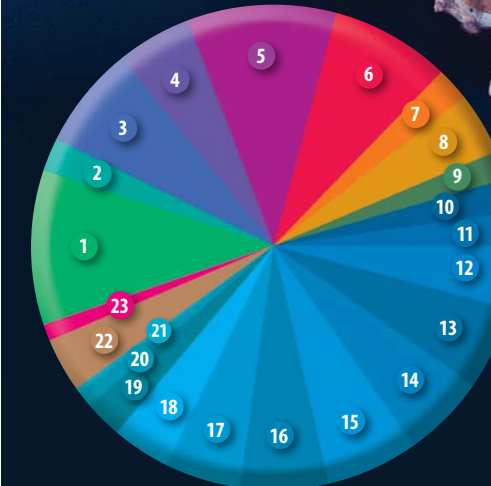
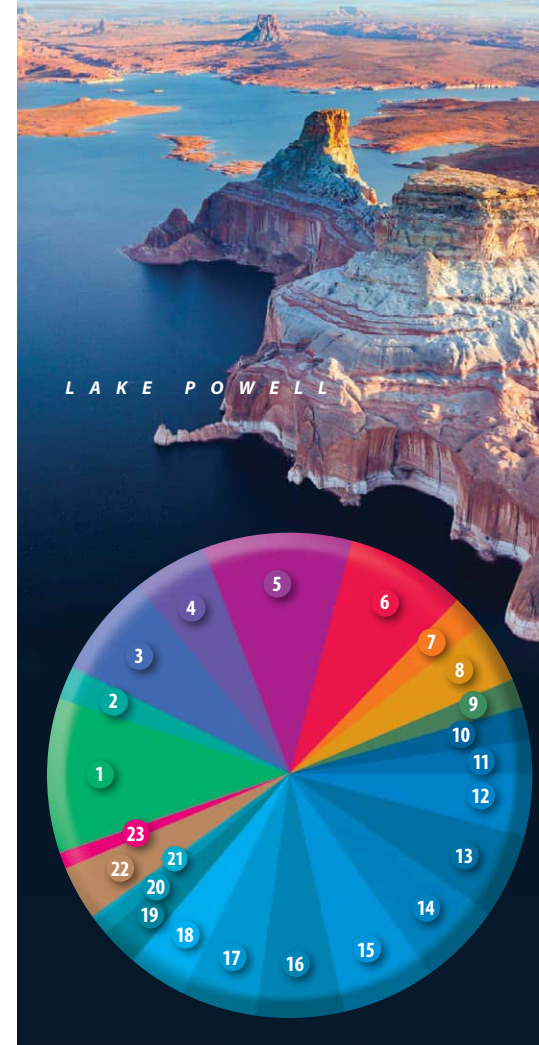
The Statements of Changes in Fiduciary Net Position show the additions (income) and deductions (expenses) of the Systems. Investment earnings and contributions comprise the additions. The deductions are composed almost entirely of benefit payments and refunds. Additions exceeded deductions by over \$3.23 billion in 2023.

The Systems are audited annually by CPA firm Eide Bailly LLP. Our actuary, Gabriel, Roeder, Smith & Company, reviews the funding and contribution rates to ensure they are adequate to fund your benefits.

### UTAH RETIREMENT SYSTEMS Statements of Changes in Fiduciary Net Position — Pension Trust Funds

December 31, 2023 (in thousands)

Total Defined Benefit Pension Plans	
<b>Additions:</b>	
Contributions:	
Member contributions	\$ 42,997
Employer contributions	1,549,133
Court fees and fire insurance tax	24,933
<b>Total contributions</b>	<b>1,617,063</b>
Investment income:	
Net appreciation in fair value of investments	2,972,087
Interest, dividends, and other investment income	986,447
<b>Total income from investment activity</b>	<b>3,958,534</b>
Less investment expenses	119,274
<b>Net income from investment activity</b>	<b>3,839,260</b>
Income from security lending activity	5,849
Less security lending expense	617
<b>Net income from security lending activity</b>	<b>5,232</b>
<b>Net investment income</b>	<b>3,844,492</b>
Transfers from affiliated systems	71,186
<b>Total additions</b>	<b>5,532,741</b>
<b>Deductions:</b>	
Retirement benefits	1,831,667
Cost-of-living benefits	382,369
Supplemental retirement benefits	233
Refunds	5,347
Administrative expenses	13,801
Transfers to affiliated systems	71,186
<b>Total deductions</b>	<b>2,304,603</b>
<b>Increase from operations</b>	<b>3,228,138</b>
Net position restricted for pension benefits beginning of year	42,074,517
<b>Net position restricted for pension benefits end of year</b>	<b>\$ 45,302,655</b>



# \$9.22 billion

2023 SAVINGS PLANS MEMBER BALANCES

## URS Savings Plans

### Growing Personal Investments

Member balances in the 401(k), 457(b), and IRAs at year-end 2023 totaled over \$9.22 billion.

### Total Balances by Investment Option and Rates of Return

Percentage Total of Each Investment Option

December 31, 2023

Percentage of Total Fair Value	Investment Option	Total Investment Balance (dollars in thousands)	2023 Annualized Rates of Return	Annualized 3-Year Rates of Return	Annualized 5-Year Rates of Return
10.33%	1 Income Fund	\$ 951,857	2.85%	2.10%	2.21%
2.36	2 Bond Fund	217,377	7.73	(1.65)	2.87
6.92	3 Balanced Fund	637,417	23.42	4.70	11.13
4.85	4 Large Cap Stock Value Fund	447,434	17.46	12.76	13.88
10.19	5 Large Cap Stock Index Fund	939,374	26.38	8.83	15.36
7.98	6 Large Cap Stock Growth Fund	735,550	52.19	3.48	17.34
2.37	7 International Fund	218,627	15.35	1.53	7.21
4.17	8 Small Cap Stock Fund	384,206	17.51	9.78	12.28
1.94	9 Tier 2 DC Nonvested	178,932	14.70	4.42	8.78
2.00	10 Retired Fund	184,568	10.64	2.37	5.12
2.42	11 2015 Fund	223,184	11.28	2.88	5.82
3.95	12 2020 Fund	363,696	11.65	3.13	6.59
5.66	13 2025 Fund	521,408	12.37	3.94	7.68
5.67	14 2030 Fund	522,217	13.99	4.45	9.13
5.98	15 2035 Fund	551,152	15.21	4.77	9.64
5.82	16 2040 Fund	536,246	16.49	5.21	10.64
5.17	17 2045 Fund	476,347	17.76	5.59	11.10
3.70	18 2050 Fund	341,399	18.45	5.84	11.26
2.54	19 2055 Fund	234,350	18.45	5.84	11.26
1.17	20 2060 Fund	107,889	18.45	5.84	11.26
0.21	21 2065 Fund	18,949	18.45	5.84	—*
3.59	22 Brokerage Window	331,191	N/A	N/A	N/A
1.02	23 Loan Fund	94,469	N/A	N/A	N/A
<b>Total</b>		<b>\$ 9,217,839</b>			

\*Fund inception: Jan 1, 2021

## WANT TO KNOW MORE?



www.urs.org

Please visit www.urs.org or call our office. We can explain your benefits one-on-one or to your group.



Write

**Salt Lake Office**  
PO Box 1590  
Salt Lake City, UT 84110-1590

**St. George Office**  
20 North Main St., Suite 206  
St. George, UT 84770



Call

**Salt Lake Office**  
801-366-7700 • 800-365-8772

**Pension Benefits**  
801-366-7770 • 800-695-4877

**401(k), 457(b), IRA**  
801-366-7720 • 800-688-401k

**St. George Office**  
435-673-6300 • 800-950-4877



Fax

**Salt Lake Office**  
801-366-7734

**401(k), 457(b), IRA**  
801-366-7445

**St. George Office**  
435-634-0654



Visit

**Salt Lake Office**  
560 East 200 South  
Salt Lake City, UT 84102

**St. George Office**  
20 North Main St., Suite 206  
St. George, UT 84770



URS Board, from left:  
 Larry W. Evans  
 Christie N. Behunin  
*(Vice-President)*  
 Roger G. Donohoe  
 Richard K. Ellis  
 Karl W. Wilson  
*(President)*  
 Laura C. Warnock  
 Marlo M. Oaks



## Meet the Board

A majority of the URS Board members are experts in banking and investments and are appointed by the Governor. The Board appoints our executive director to carry out the day-to-day operations of URS. Together they guide and safeguard URS.

### Membership Advisory Council

Those who serve on the Membership Advisory Council speak for the interests of active and retired members and participating employers.

#### Membership Council Member / Represents

- Marty Peterson *(Chair)* ..... Professional Firefighters of Utah
- Amy Ehresman *(Vice-Chair)* ..... Utah School Employees' Association
- Brad Hardesty ..... Utah Association of Retired Public Employees
- Larry Milward ..... Utah Retired School Employees' Association
- Zane Woolstenhulme ..... Utah Association of School Business Officials

#### Membership Council Member / Represents

- Heather Anderson ..... Utah Association of Special Districts
- Jamie Davidson ..... Utah League of Cities and Towns
- Sheri Dearden ..... Utah Association of Counties
- Sandy Gustavson ..... Utah Public Employees' Association
- Rod Hurd ..... Utah Education Association
- Anna Lewin ..... Utah Education Association
- Tina McMullin ..... Utah Education Association
- Honorable Kara Pettit ..... Utah Judicial Council
- Scott Wilberger ..... Utah Peace Officers' Association

## This Report Through the Years

The URS Summary Report is provided yearly to update URS members on the condition of the pension systems and to share statistics, news, and other information about URS.



Utah Retirement Systems 2023 Summary Annual Report Published by: Utah Retirement Systems, 560 East 200 South, Salt Lake City, UT 84102-2021

Nothing herein should be construed to establish, amend, enlarge, reduce, or otherwise affect any benefits, rights, responsibilities, or privileges. If there is a conflict between any applicable law, rule, regulation, plan provision, or contract and the contents of this newsletter, the law, rule, regulation, plan provision, or contract shall prevail.