

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2004

UTAH RETIREMENT SYSTEMS

A Component Unit of the State of Utah



Noncontributory Retirement System

Contributory Retirement System

Public Safety Retirement System

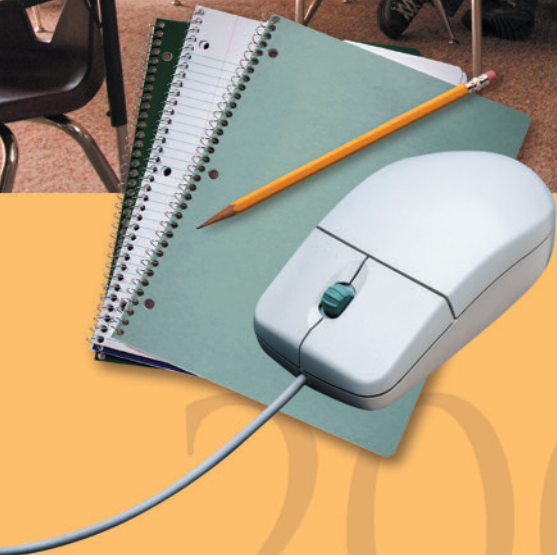
Firefighters Retirement System

Judges Retirement System

Governors and Legislative Pension Plan

401(k) and 457 Plans

2004



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, 2003

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.



Nancy L. Zjelle
President

Jeffrey L. Esser
Executive Director



Public Pension Coordinating Council
Public Pension Standards
2004 Award

Presented to

Utah Retirement Systems

In recognition of meeting professional standards for
plan design 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

On the Front Cover:
Brenda Beyal
Educator
Nebo School District
Spanish Fork

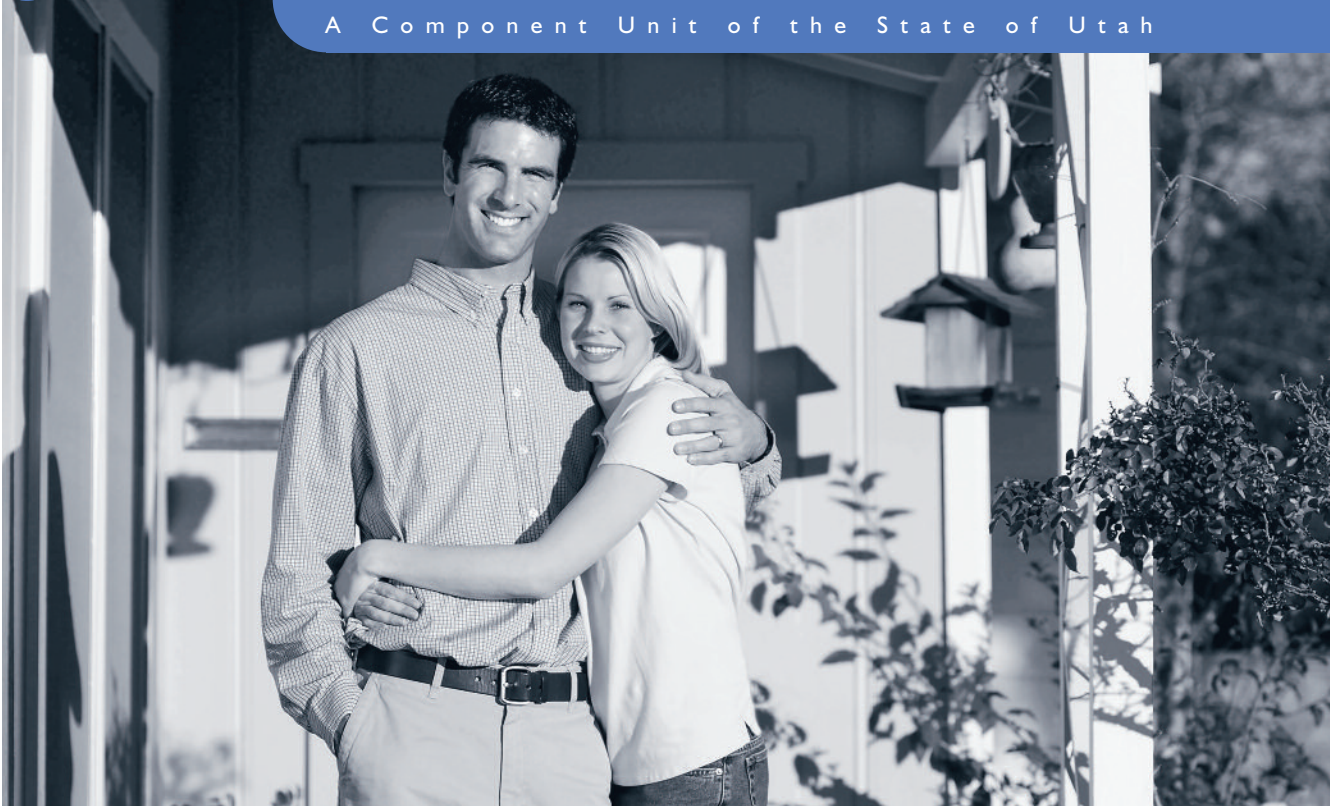
2004

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2004

UTAH RETIREMENT SYSTEMS

A Component Unit of the State of Utah



Noncontributory Retirement System

Contributory Retirement System

Public Safety Retirement System

Firefighters Retirement System

Judges Retirement System

Governors and Legislative Pension Plan

401(k) and 457 Plans

Prepared by: Finance Department ■ Utah Retirement Systems
560 East 200 South ■ Salt Lake City, Utah 84102-2021 ■ www.urs.org

Robert V. Newman, *Executive Director*
Robert J. Stringham, CPA, *Chief Financial Officer*

2004 Comprehensive Annual Financial Report

TABLE OF CONTENTS

Introductory Section

- 5 Letter of Transmittal
- 8 Board President's Letter
- 9 Utah State Retirement Board, Membership Council, and Executive Director
- 10 Organization Chart and Administrative Staff
- 11 Professional Consultants

Systems' Highlights:

- 12 Noncontributory Retirement System
- 14 Contributory Retirement System
- 16 Public Safety Retirement System
- 18 Firefighters Retirement System
- 20 Judges Retirement System
- 22 Governors and Legislative Pension Plan
- 24 401(k) and 457 Plans

Financial Section

- 27 Independent Auditors' Report
- 28 Management's Discussion and Analysis

Basic Financial Statements:

- 42 Statements of Fiduciary Net Assets—
Pension (and Other Employee Benefit) Trust Funds
- 44 Statements of Changes in Fiduciary Net Assets—
Pension (and Other Employee Benefit) Trust Funds
- 46 Notes to the Basic Financial Statements

Required Supplementary Information:

- 64 Schedules of Funding Progress
- 66 Schedules of Employer Contributions
- 67 Notes to Required Supplementary Information

Supplementary Financial Supporting Schedules:*Individual Retirement Systems' Schedules by Division:***Noncontributory Retirement System:**

- 68 Schedules of Fiduciary Net Assets by Division
- 69 Schedules of Changes in Fiduciary Net Assets by Division
- 70 Schedules of Funding Progress by Division
- 71 Schedules of Employer Contributions by Division

Contributory Retirement System:

- 72 Schedules of Fiduciary Net Assets by Division
- 73 Schedules of Changes in Fiduciary Net Assets by Division
- 74 Schedules of Funding Progress by Division
- 75 Schedules of Employer Contributions by Division

Public Safety Retirement System:

- 76 Schedules of Fiduciary Net Assets by Division
- 78 Schedules of Changes in Fiduciary Net Assets by Division
- 80 Schedules of Funding Progress by Division
- 82 Schedules of Employer Contributions by Division

Firefighters Retirement System:

- 84 Schedules of Fiduciary Net Assets by Division
- 85 Schedules of Changes in Fiduciary Net Assets
by Division
- 86 Schedules of Funding Progress by Division
- 87 Schedules of Employer Contributions by Division
- 88 Schedules of Administrative and Investment Expenses

Investment Section**Defined Benefits Investments:**

- 91 Report on Investment Activity
- 92 Outline of Investment Policies
- 92 Investment Summary
- 93 Asset Allocation
- 94 Investment Results
- 95 List of Largest Assets Held
- 95 Schedules of Fees and Commissions
- 96 Investment Professionals

401(k) and 457 Investments:

- 97 Investment Highlights
- 99 Investment Professionals

Actuarial Section

- 102 Actuary's Certification Letter
- 104 Summary of Actuarial Assumptions and Methods
- 108 Analysis of Financial Experience
- 108 Member and Employer Contribution Rates
- 110 Solvency Tests
- 112 Schedules of Active Member Valuation Data
- 113 Schedules of Retirants and Beneficiaries

Summaries of Plan Provisions:

- 114 Noncontributory Retirement System
- 115 Contributory Retirement System
- 116 Public Safety Retirement System
- 118 Firefighters Retirement System
- 120 Judges Retirement System
- 120 Governors and Legislative Pension Plan
- 121 Changes in Plan Provisions
- 122 401(k) and 457 Plans

Statistical Section

- 126 Schedules of Additions by Source
- 127 Schedules of Deductions by Type
- 128 Schedules of Benefit Deductions by Type
- 129 Schedules of Retired Members
by Type of Benefit Option
- 130 Schedules of Average Benefit Payments
- 132 Schedule of Participating Employers

Systems and Plans Statistical Highlights
(Inside back cover)

INTRODUCTORY

S e c t i o n



5 Letter of Transmittal

8 Board President's Letter

9 Utah State Retirement Board

10 Organization Chart

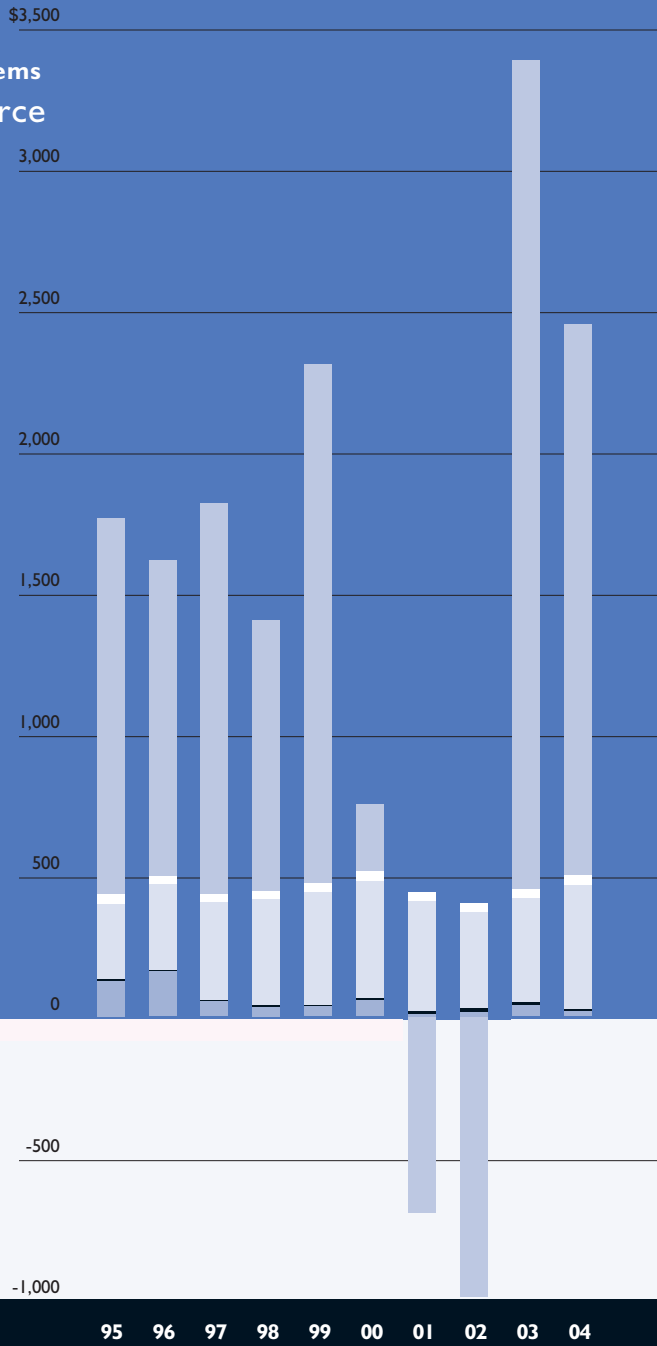
11 Administrative Staff and Professional Consultants

12 Systems' Highlights

Utah Retirement Systems
(in millions)

All Retirement Systems
Additions by Source

ADDITIONS BY SOURCE



(in millions)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
● Net Investment Income (Loss)	\$1,330	1,118	1,381	958	1,836	239	(693)	(999)	2,929	1,950
○ Member Contributions	34	28	29	29	33	34	31	31	31	35
● Employer Contributions	266	302	344	374	397	414	388	341	369	436
● Court Fees and Fire Insurance Tax	6	6	6	6	6	8	10	12	11	10
● Transfers from Systems	124	158	52	32	33	55	8	15	37	16
Totals	\$1,760	1,612	1,812	1,399	2,305	750	(256)	(600)	3,377	2,446

LETTER OF TRANSMITTAL

UTAH STATE RETIREMENT BOARD
UTAH RETIREMENT SYSTEMS
560 East 200 South
Salt Lake City, Utah 84102-2021
(801) 366-7700
(800) 365-8772 TOLL FREE
(801) 366-7734 FAX

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

February 25, 2005

Utah State Retirement Board
560 East 200 South
Salt Lake City, UT 84102-2021

Dear Board Members:

We are pleased to present the 2004 Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems) and 401(k) and 457 Plans (Plans), a component unit of the State of Utah, administered by the Utah State Retirement Board (Board) for calendar year 2004. 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 Governors and Legislative Pension Plan, and the 401(k) and 457 Plans.

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 Disclo-*

ures, and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. 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) and 457 Plans were established by legislation and authorized as indicated in the notes to the basic financial statements on page 46. The Summaries of Plan Provisions are presented on pages 114 through 124. The number of active and retired members and beneficiaries for each system is presented in the Systems' Highlights on pages 12 through 24. 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.

The 2004 Comprehensive Annual Financial Report is presented in five sections. The Introductory Section contains the letter of transmittal, the Board President's letter, identification of the Systems' administrative organization and professional consultants, as well as Systems' Highlights for each retirement system and plan. The Financial Section contains the opinion of the independent auditors, management's discussion and analysis (MD&A), the basic financial statements and required supplementary information of the Systems, and further information about the Systems at division levels. The Investment Section contains investment information and a list of the largest holdings. The Actuarial Section contains the independent consulting actuary's certification, an outline of actuarial assumptions and methods, and other actuarial statistics. The Statistical Section contains tables of significant data pertaining to the Systems.

Management's Discussion and Analysis

The MD&A beginning on page 28 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.

Economic Condition and Outlook

The economic condition of the Systems is based primarily upon investment earnings. The Systems' investments were evaluated at year end by Callan Associates

LETTER OF TRANSMITTAL *(Continued)*

Inc., Investment Measurement Service. A comparative analysis of rates of return is presented on page 94 of this report.

For the Future

During 2004, 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.

Financial Information

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. 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 28.

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

required supplementary information schedules immediately following the notes to the basic financial statements. These schedules show the actuarial value of assets, which is based on a five-year smoothed expected rate of return, wherein the excess or shortfall of investment income over or under the actuarial assumed income of 8% is recognized over a five-year period. This is the value of assets used by the actuary in determining contribution rates for the Systems as disclosed in note 5 to the basic financial statements.

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

Although the historical level of funding is good, constant effort will be directed at achieving full funded status, assuring participants of financially sound retirement systems. Funded status and progress for overall Systems are presented in the Required Supplementary Information Schedules of Funding Progress on page 64. The current funded ratios range from 90% to 121%.

Investments

The target investment portfolio mix at fair value as of the end of 2004 was 25% debt securities, 58% equities, 7% private equity and 10% real estate. The 25% debt securities are comprised of 20% domestic and 5% international instruments. The 58% equities are comprised of 40% domestic and 18% 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 estate and private equity

LETTER OF TRANSMITTAL *(Continued)*

with additional diversification achieved through domestic and international investing.

Investment Risk

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 \$19.0 billion in investments at fair value as of December 31, 2004, none of the investments were in the category of highest custodial credit risk as defined by the 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.

Actuarial Valuation

An actuarial valuation of the Systems is performed annually. An assumption experience study is performed at least every other 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.

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, 2003. 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 20 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

In addition the Utah Retirement Systems were awarded the Public Pension Coordinating Council Public Pension Standards 2004 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 report 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 J. Stringham, CPA
Chief Financial Officer



Robert V. Newman
Executive Director

BOARD PRESIDENT'S LETTER

UTAH STATE RETIREMENT BOARD
UTAH RETIREMENT SYSTEMS
560 East 200 South
Salt Lake City, Utah 84102-2021
(801) 366-7700
(800) 365-8772 TOLL FREE
(801) 366-7734 FAX

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

February 25, 2005

Dear members of the Retirement Systems:

As I report on the activities and programs of the Utah Retirement Systems for 2004, I'm pleased to note that over 35,000 retirees now enjoy monthly benefits from the Retirement Systems, and more than 97,000 working members of the Systems are earning future retirement benefits.

As Board members we serve as trustees to ensure that members' interests are properly safeguarded. We have the responsibility and mandate to provide retirement benefits to eligible members for the valued service they've rendered to the public. Thanks to far-sighted actuarial funding principles established over several decades by governors, legislatures and boards, the outlook for the Systems is positive. Benefits to retired members will continue to be paid in timely fashion, and working members of the retirement systems can be assured of receiving promised retirement benefits upon completion of their careers.

Financial markets continued positive in 2004

Despite concerns of rising inflation, record high oil prices and rising short-term interest rates, investment returns for 2004 were ultimately gratifying. Thanks to investment returns of 13.2%, assets of the Retirement Systems increased by more than \$1.8 billion to a new high of more than \$16.1 billion. Over the past ten years, the Systems have returned 10.2%, exceeding the actuarial goal of 8%. As the economy continues to improve, the Systems are poised for the opportunities and growth it will bring.

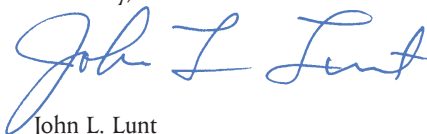
401(k) and 457 plan assets top \$2 billion

I'm pleased to report that member contributions to the 401(k) and 457 plans continue to grow. Account balances in these plans exceeded \$2.1 billion in 2004. While participants' individual rates of return varied according to their choices among the eleven available investment options, most participants were rewarded with investment gains.

Excellent management

I express my appreciation for the valuable breadth and depth of experience possessed by members of the Board. In particular I'm pleased to welcome to the Board Ms. Kathy Jones-Price. I also express the Board's confidence and appreciation to Executive Director Robert Newman and his staff for their excellent management of the Systems.

Sincerely,



John L. Lunt
President
Utah State Retirement Board

Retirement Board

(pictured left to right)



- Kenneth L. Serre**..... Appointed July 1, 2003; Term expires July 1, 2007; Represents public employees
- Kathryn D. Jones-Price** Appointed March 5, 2004; Term expires July 1, 2005; Represents investment community
- Edward T. Alter**..... Member since Jan. 1, 1981; Ex-officio member; State Treasurer
- John L. Lunt**..... Appointed July 1, 2001; Term expires July 1, 2005; Represents investment community
President
- David B. Winder**..... Appointed Oct. 20, 2003; Term expires July 1, 2007; Represents investment community
Vice President
- Phyllis P. Sorensen**..... Appointed Sept. 25, 2002; Term expires July 1, 2007; Represents education employees
- Phillip W. Clinger**..... Appointed June 21, 2002; Term expires July 1, 2005, Represents investment community

Membership Council

Member	Represents
Ms. Elaine Tzourtzouklis* ... <i>Chairperson</i>	Represents Utah Education Association
Mr. Marty Peterson*	Represents Professional Firefighters of Utah <i>Vice-Chairperson</i>
Mr. Kent J. Abel*	Represents Utah Retired School Employees Association
Mr. G. Steven Baker*	Represents Utah Association of Counties
Ms. Patti Wayman*	Represents Utah Public Employees Association
Honorable Judith M. Billings	Represents Utah Judicial Council
Mr. Dean Drew	Represents Utah Public Employees Association
Officer Mike Galieti	Represents Utah Peace Officers Association
Mr. Tom Hardy	Represents Utah League of Cities and Towns
Mr. Dean Holbrook	Represents Utah Association of Retired Public Employees
Mr. Russell S. Judd	Represents Utah Education Association
Ms. Pat Rusk	Represents Utah Education Association
Ms. Patricia Thompson	Represents Utah School Employees Association

*Executive Committee

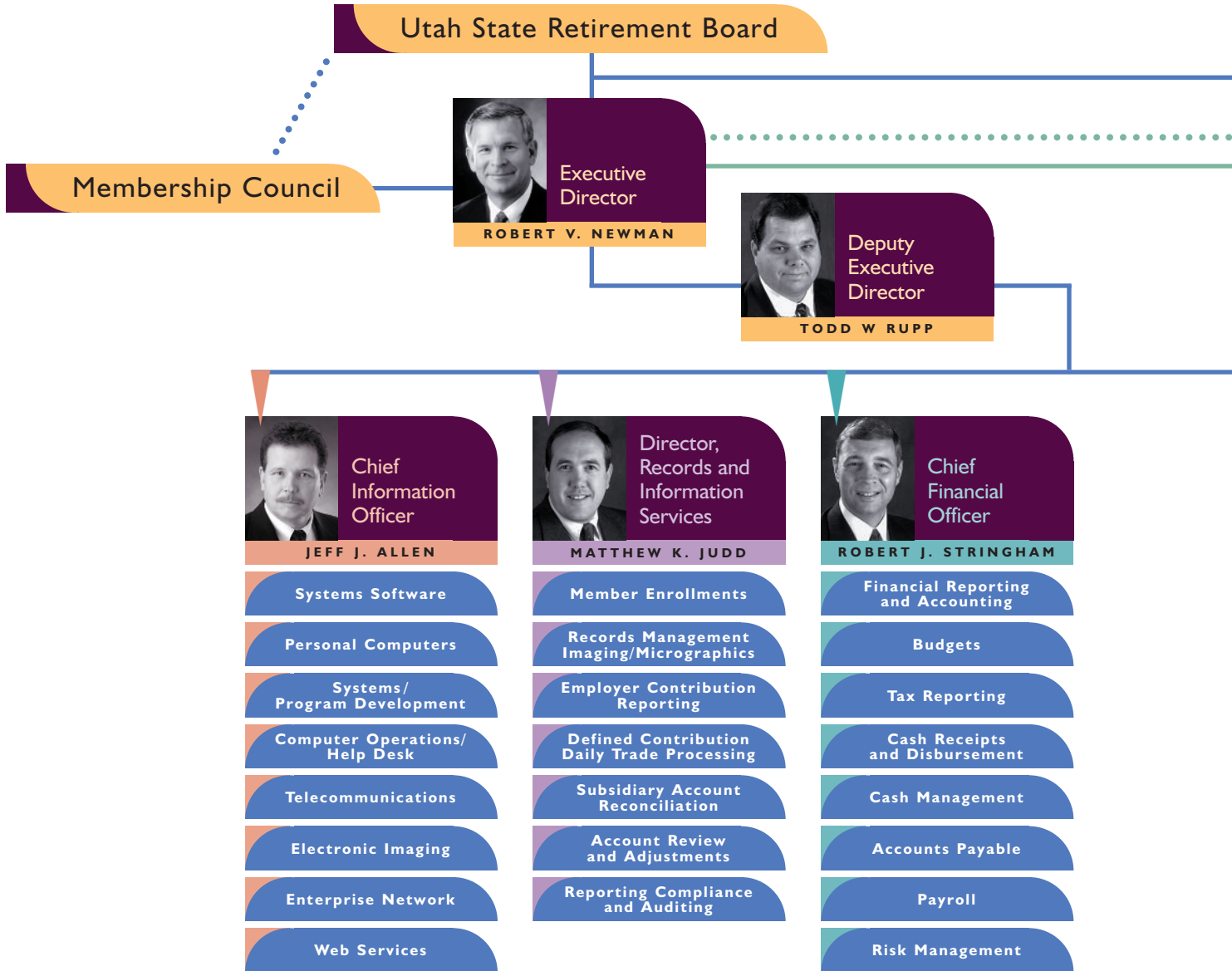
Executive Director



Robert V. Newman
Executive Director

Utah Retirement Systems

ORGANIZATIONAL CHART



Administrative Staff

Robert V. Newman, CPA
Executive Director

Todd W Rupp, CPA
Deputy Executive Director

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

Jeff J. Allen
Chief Information Officer

Robert J. Stringham, CPA
Chief Financial Officer

Matthew K. Judd
Director, Records and Information Services

Don G. Pugmire
Director, Human Resources

Judy C. Lund
Director, Retirement

Craige D. Stone
Director, Defined Contribution Plans and Education & Marketing

Bruce H. Cundick, CFA
Chief Investment Officer



Professional Services
**Actuary • Auditor • Legal • Consultants
 Investment Advisors • Medical Director**
*Details for professional service providers is shown at right.
 Investment professionals are presented on pages 96 and 99.*

**Chief
Investment
Officer**
BRUCE H. CUNDICK

- Equity Investments
- Debt Securities
- Real Estate
- Private Equity

**Director,
Defined
Contribution
Plans and
Education
& Marketing**
CRAIG D. STONE

- 401(k) Plan
- 457 Plan
- Education and Marketing
- Branch Office

**Director,
Human
Resources**
DON G. PUGMIRE

- Human Resources
- Communications
- Maintenance/Engineering
- Safety/Security

**Director,
Retirement**
JUDY C. LUND

- Retirement Benefits
- Death Benefits
- Redeposits, Purchases
and Adjustments
- Refunds

Professional Consultants

Actuary

Gabriel, Roeder,
Smith & Company
Suite 4200
2001 Ross Avenue
Dallas, TX 75201

Auditor

Deloitte &
Touche LLP
Certified Public
Accountants
Suite 1800
50 South Main,
Salt Lake City,
UT 84144

Legal Counsel

Howard, Phillips
& Anderson
560 East 200 South
Suite 300
Salt Lake City,
UT 84102

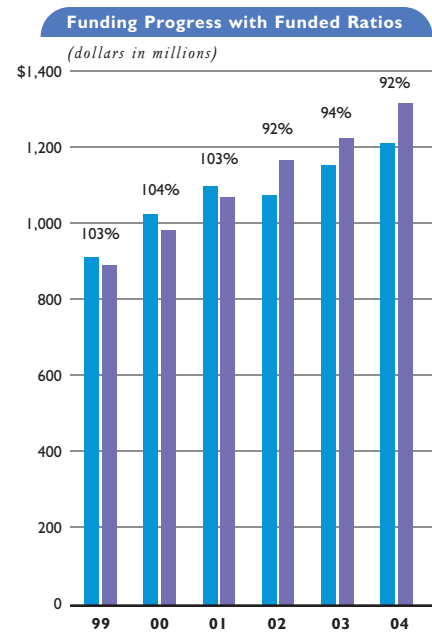
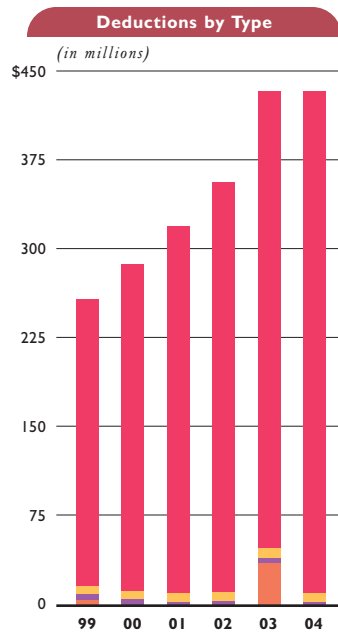
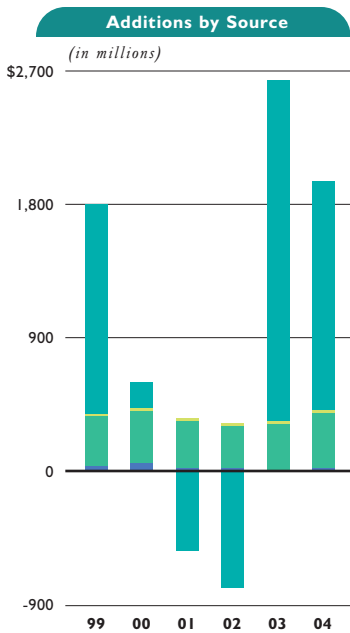
Medical Director

Howard McQuarrie,
M.D.
560 East 200 South
Salt Lake City,
UT 84102

Other Consultants

Advanced Risk Management
Techniques Inc.
23701 Birtcher Dr.
Lake Forest, CA 92630
Groom Law Group
1701 Pennsylvania Ave. NW
Washington DC. 20006

Retirement System NONCONTRIBUTORY



Noncontributory System Highlights

Composite Picture

<i>Total Membership</i>	132,643
Active	85,046
Terminated vested	23,823
Retired.....	23,774
<i>2004 Active Members</i>	85,046
Average age	44.6
Average years of service.....	10.2
Average annual salary	\$36,643
<i>2004 Retirees</i>	
Number	1,803
Average age	62.1
Average years of service.....	21.4
Final average annual salary.....	\$41,005
Average annual benefit.....	\$18,850
<i>Average annual benefit—all retirees</i>	\$17,126

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 12-31-2004)

Employer rate for the State and School Division (Level A) is 13.38% of covered salary and 11.09% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 114.

Pictured Above: Irene R. Rogers, Clinic Supervisor
 Salt Lake Community College Dental Hygiene, West Jordan Campus

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.



(in millions)	1999	2000	2001	2002	2003	2004
Additions by Source						
Investment Income (Loss)	\$1,421.4	186.8	(544.8)	(788.9)	2,315.6	1,547.6
Member Contributions	10.9	11.5	11.0	12.5	11.5	14.4
Employer Contributions	338.7	352.3	332.0	291.3	314.5	369.1
Transfers from Systems	28.0	51.0	5.3	12.2	—	10.6
Totals	\$1,799.0	601.6	(196.5)	(472.9)	2,641.6	1,941.7
Deductions by Type						
Benefit Payments	\$ 243.8	276.9	311.3	348.2	386.8	424.9
Administrative Expense	7.1	6.8	6.7	7.1	8.1	7.8
Refunds	4.3	5.3	3.3	3.7	3.3	3.0
Transfers to Systems	4.7	—	—	—	37.0	—
Totals	\$ 259.9	289.0	321.3	359.0	435.2	435.7
Funding Progress						
Actuarial Value of Assets	\$9,237.4	10,361.3	11,104.3	10,848.6	11,657.5	12,233.3
Accrued Actuarial Liability	9,006.3	9,933.5	10,806.0	11,764.4	12,351.3	13,237.1
Funding Ratios	103%	104%	103%	92%	94%	92%

Contributory System Highlights

Composite Picture

Total Membership	11,341
Active.....	3,393
Terminated vested.....	1,430
Retired.....	6,518
2004 Active Members	3,393
Average age.....	50.6
Average years of service.....	19.2
Average annual salary.....	\$40,821
2004 Retirees	
Number.....	140
Average age.....	61.7
Average years of service.....	23.2
Final average annual salary.....	\$35,097
Average annual benefit.....	\$15,201
Average annual benefit—all retirees	\$8,039

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.

**If FAS is \$500 or less the formula is 1.15% for each year of service before 7-1-67

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

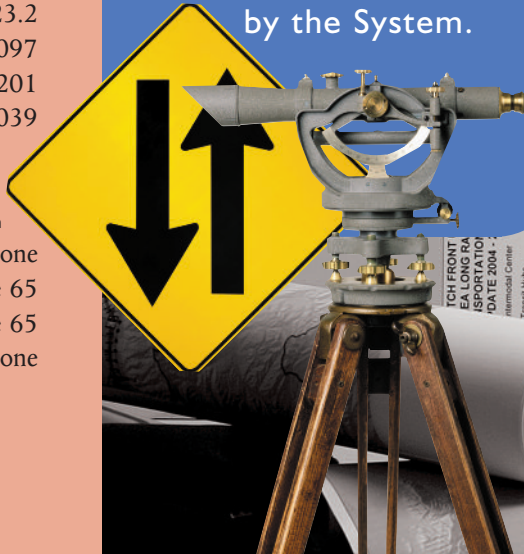
Contribution Rates (as of 12-31-2004)

Member rate is 6.00% of covered salary. Employer rate for State and School Division (Level A) is 8.89% of covered salary and 7.08% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 115.

Pictured Above: Eloise Thomson, Transportation Planner
Wasatch Front Regional Counsel, Salt Lake City

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.

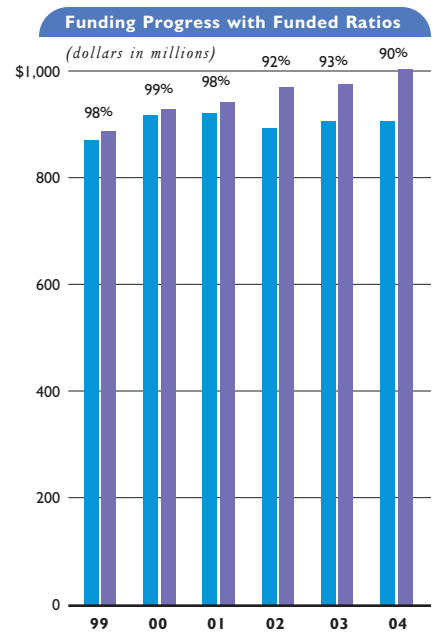
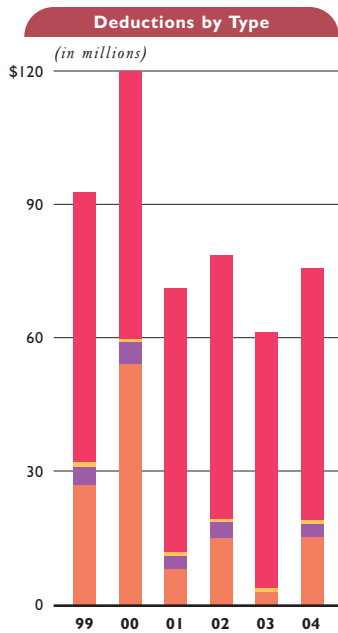
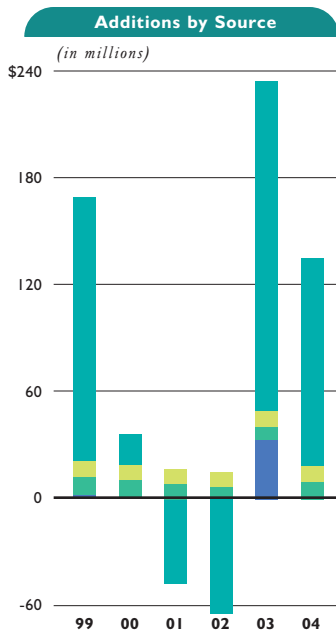


(in millions)	1999	2000	2001	2002	2003	2004
Additions by Source						
Investment Income (Loss)	\$ 148.8	17.5	(47.8)	(64.3)	186.3	117.3
Member Contributions	8.5	8.5	8.6	8.9	8.7	9.0
Employer Contributions	10.8	10.5	8.5	6.7	7.3	9.6
Transfers from Systems	1.8	—	—	—	33.3	—
Totals	\$ 169.9	36.5	(30.7)	(48.7)	235.6	135.9
Deductions by Type						
Benefit Payments	\$ 61.1	60.3	59.6	59.5	57.9	57.0
Administrative Expense	0.8	0.7	0.7	0.6	0.7	0.6
Refunds	4.2	5.0	3.1	3.7	3.4	2.9
Transfers from Systems	27.4	54.6	8.4	15.4	—	15.8
Totals	\$ 93.5	120.6	71.8	79.2	62.0	76.3
Funding Progress						
Actuarial Value of Assets	\$878.2	924.6	927.5	899.3	913.9	913.1
Accrued Actuarial Liability	894.5	935.8	948.9	976.9	982.6	1,011.5
Funding Ratios	98%	99%	98%	92%	93%	90%

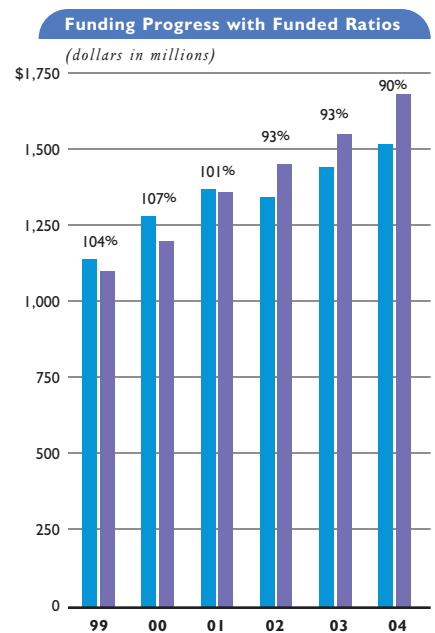
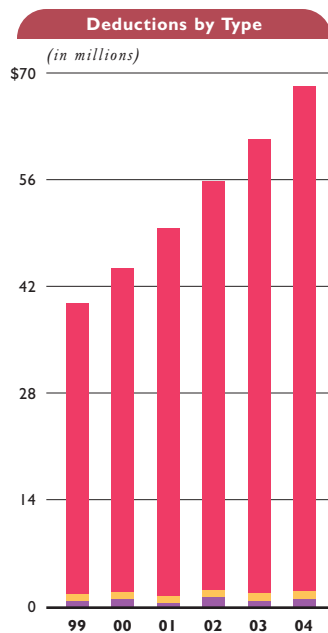
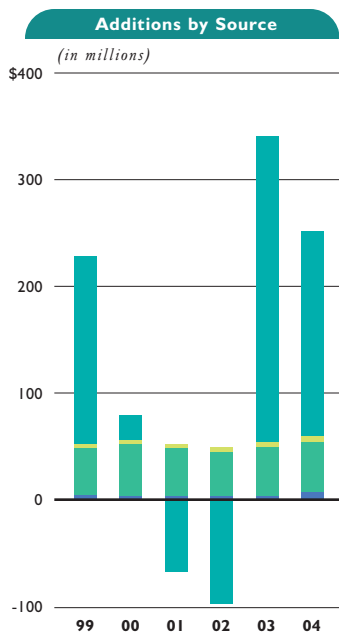
Retirement System CONTRIBUTORY



2030 LRP UPDATE HIGHWAY PHASING PLAN



Retirement System PUBLIC SAFETY



Public Safety System Highlights

Composite Picture

Total Membership	11,412
Active.....	7,173
Terminated vested.....	1,192
Retired.....	3,047
2004 Active Members	7,173
Average age.....	38.7
Average years of service.....	9.0
Average annual salary.....	\$40,300
2004 Retirees	
Number.....	204
Average age.....	53.0
Average years of service.....	22.1
Final average annual salary.....	\$50,148
Average annual benefit.....	\$27,187
Average annual benefit—all retirees	\$20,816

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.

**Benefit paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 2.5% annually on original retirement benefit.

Contribution Rates (as of 12-31-2004)

Noncontributory — Employer rates range from 19.08% to 32.52% of covered salary.

Contributory — Member rates range from 10.50% to 13.74% of covered salary. Employer rates range from 7.70% to 19.96% of covered salary.

For more detail see Summary of Plan Provisions on page 116.

Pictured Above: Daniel P. Forester, Deputy Sheriff—K9 Utah County Sheriff Department

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.



<i>(in millions)</i>	1999	2000	2001	2002	2003	2004
Additions by Source						
● Investment Income (Loss) \$	177.0	23.2	(67.7)	(97.8)	288.1	192.8
● Member Contributions	3.9	4.1	4.0	4.3	4.4	5.0
● Employer Contributions	45.1	49.4	46.1	42.3	46.7	56.3
● Transfers from Systems	2.3	2.0	1.4	2.0	2.0	4.0
Totals	\$ 228.3	78.7	(16.2)	(49.2)	341.2	258.1
Deductions by Type						
● Benefit Payments \$	38.5	42.8	48.6	54.0	59.9	66.3
● Administrative Expense	0.9	0.8	0.8	0.9	1.0	1.0
● Refunds	0.7	1.0	0.5	1.2	0.7	1.0
Totals	\$ 40.1	44.6	49.9	56.1	61.6	68.3
<i>(dollars in millions)</i>						
Funding Progress						
● Actuarial Value of Assets \$	1,146.3	1,287.0	1,376.5	1,349.4	1,448.9	1,524.9
● Accrued Actuarial Liability	1,105.2	1,206.9	1,366.1	1,458.5	1,556.8	1,688.4
Funding Ratios	104%	107%	101%	93%	93%	90%

Firefighters System Highlights

Composite Picture

Total Membership	2,601
Active.....	1,591
Terminated vested.....	77
Retired.....	933
2004 Active Members	1,591
Average age.....	39.5
Average years of service.....	10.7
Average annual salary.....	\$49,863
2004 Retirees	
Number.....	30
Average age.....	52.3
Average years of service.....	25.0
Final average annual salary.....	\$56,107
Average annual benefit.....	\$33,871
Average annual benefit—all retirees	\$24,257

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.

**Benefit paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2004)

Member rates for Division A (with Social Security) is 8.61% of covered salary and 7.83% for Division B (without Social Security).

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

For more detail see Summary of Plan Provisions on page 118.

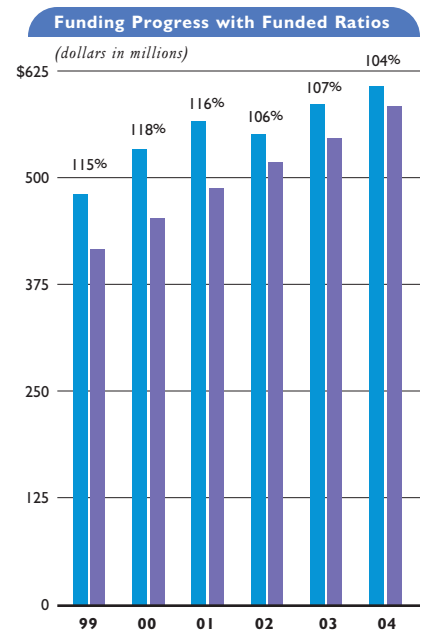
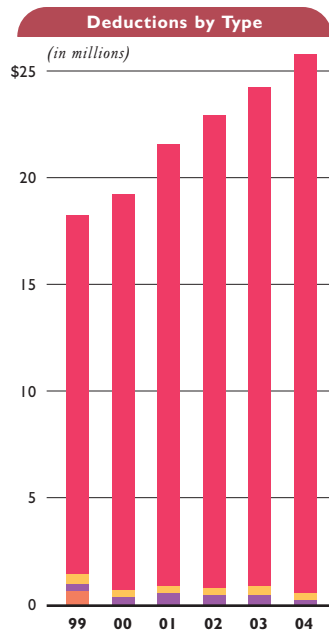
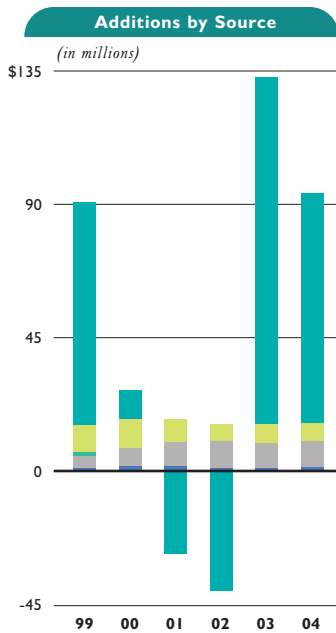
Pictured Above: Justin R.Messerly, Fire Captain
NorthView Fire Department, Ogden

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

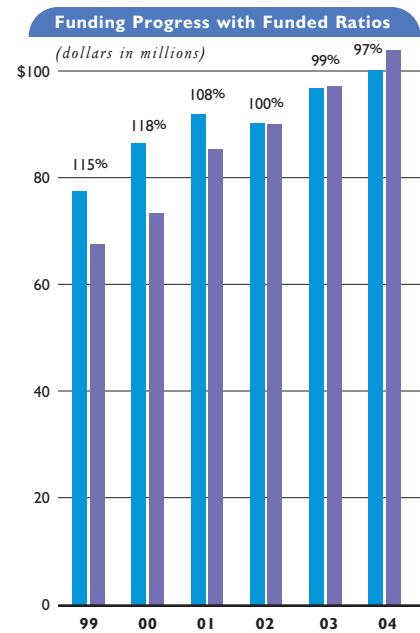
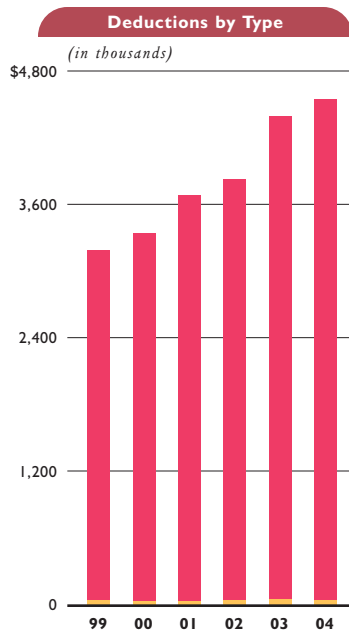
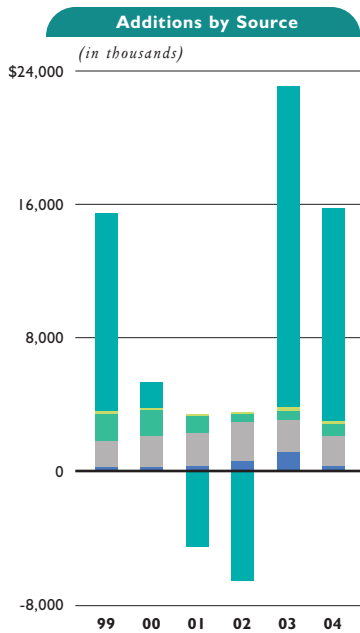


<i>(in millions)</i>	1999	2000	2001	2002	2003	2004
Additions by Source						
● Investment Income (Loss)	\$ 75.2	9.7	(28.0)	(40.2)	117.4	77.6
● Member Contributions	9.4	9.6	7.5	5.8	6.1	6.3
● Employer Contributions	1.2	0.1	—	—	—	—
● Fire Insurance Tax	4.5	6.6	8.4	9.5	9.1	8.7
● Transfers from Systems	0.5	1.3	1.5	0.7	0.6	1.0
Totals	\$ 90.8	27.3	(10.6)	(24.2)	133.2	93.6
Deductions by Type						
● Benefit Payments	\$ 17.0	18.7	20.8	22.3	23.5	25.3
● Administrative Expense	0.4	0.3	0.3	0.3	0.4	0.3
● Refunds	0.3	0.3	0.5	0.4	0.4	0.1
● Transfers to Systems	0.6	—	—	—	—	—
Totals	\$ 18.3	19.3	21.6	23.0	24.3	25.7
<i>(dollars in millions)</i>						
Funding Progress						
● Actuarial Value of Assets	\$483.4	536.5	569.2	553.6	589.5	610.7
● Accrued Actuarial Liability	419.2	455.5	491.3	521.2	549.4	586.9
Funding Ratios	115%	118%	116%	106%	107%	104%

Retirement System FIREFIGHTERS

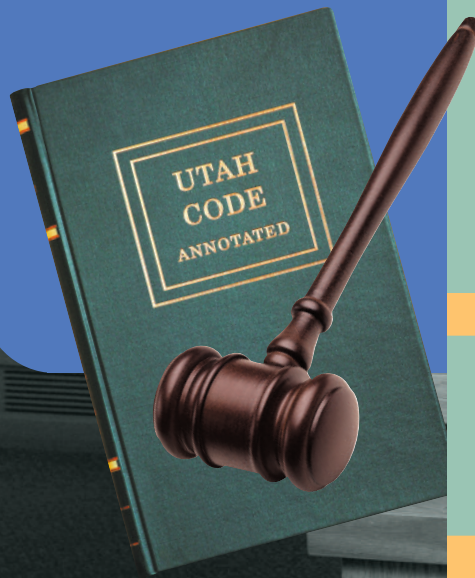


Retirement System JUDGES



Judges System Highlights

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



Composite Picture

Total Membership	197
Active	106
Terminated vested	7
Retired.....	84
2004 Active Members	106
Average age	55.6
Average years of service.....	11.1
Average annual salary.....	\$107,237
2004 Retirees	
Number	2
Average age	59.6
Average years of service.....	19.6
Final average annual salary	\$103,900
Average annual benefit.....	\$70,255
Average annual benefit—all retirees	\$52,243

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 years.
2. 2.25% x FAS* x years of service between 10 and 20 years.
3. 1.00% x FAS* x years of service over 20 years.
4. 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.

**Benefit paid cannot exceed 75% of FAS.

Cost of Living Allowance

Up to 4% compounded annually.

Contribution Rates (as of 12-31-2004)

Noncontributory — Employer rate for Division is 7.14% of covered salary.

Contributory — Member rate is 2.00% of covered salary. Employer rate is 5.14% of covered salary.

For more detail see Summary of Plan Provisions on page 120.

Pictured Above: Judge Jeffrey R Burbank
First District Juvenile Court Judge, Logan

<i>(in thousands)</i>	1999	2000	2001	2002	2003	2004
Additions by Source						
● Investment Income (Loss)	\$12,048	1,571	(4,559)	(6,564)	19,417	12,852
● Member Contributions	8	8	7	5	103	8
● Employer Contributions	1,637	1,476	1,007	472	551	723
● Court Fees	1,681	1,946	2,046	2,381	1,939	1,808
● Transfers from Systems	116	183	239	560	1,128	204
Totals	\$15,490	5,184	(1,260)	(3,146)	23,138	15,595
Deductions by Type						
● Benefit Payments	\$ 3,160	3,322	3,659	3,804	4,361	4,519
● Administrative Expenses	59	52	52	57	63	61
Totals	\$ 3,219	3,374	3,711	3,861	4,424	4,580
<i>(dollars in millions)</i>						
Funding Progress						
● Actuarial Value of Assets	\$ 78.1	87.1	92.6	90.9	97.4	100.8
● Accrued Actuarial Liability	68.1	74.0	86.0	90.6	97.9	104.0
Funding Ratios	115%	118%	108%	100%	99%	97%

Governors and Legislative Pension Plan Highlights

Composite Picture

Total Membership	403
Active	95
Terminated vested	87
Retired	221
2004 Active Members	95
Average age	52.4
Average years of service	6.7
Average annual salary	\$5,400
2004 Retirees	
Number	6
Average age	65.8
Average years of service	6.8
Final average annual salary	\$3,618
Average annual benefit	\$2,000
Average annual benefit—all retirees	\$2,804

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 12-31-04 is \$1,120 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 12-31-04 is \$24.80.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2004)

There are currently no required contributions.

For more detail see Summary of Plan Provisions on page 120.

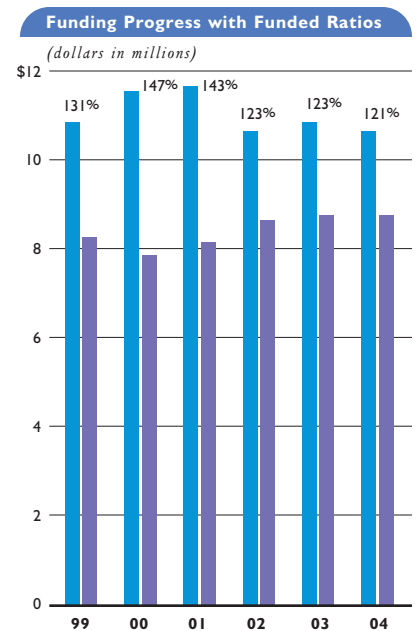
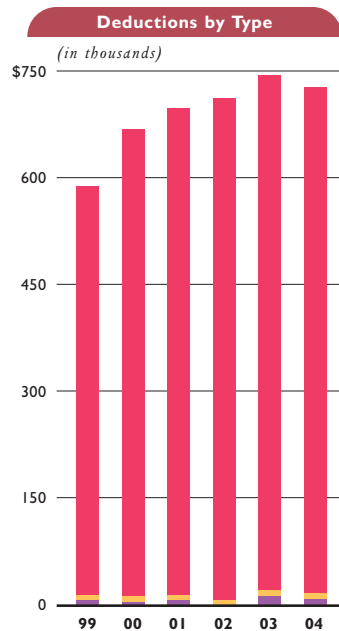
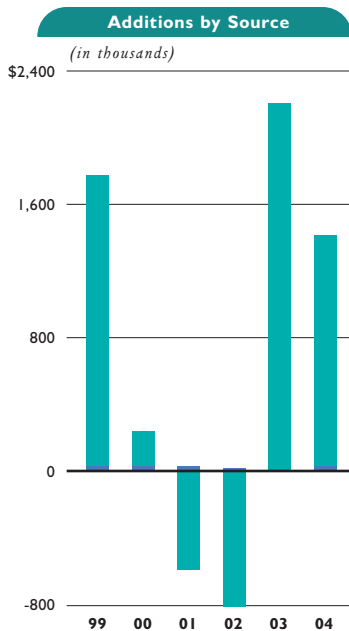
The Governors and Legislative Pension Plan includes only governors and legislators of the State of Utah.



(in thousands)	1999	2000	2001	2002	2003	2004
Additions by Source						
● Investment Income (Loss)	\$1,757	218	(595)	(806)	2,202	1,381
● Transfers from Systems	17	16	18	3	—	18
Totals	\$1,774	234	(577)	(803)	2,202	1,399
Deductions by Type						
● Benefit Payments	\$ 583	662	691	708	726	712
● Administrative Expense	6	6	6	5	6	6
● Refunds	2	1	2	—	12	5
Totals	\$ 591	669	699	713	744	723
(dollars in millions)						
Funding Progress						
● Actuarial Value of Assets	\$ 10.9	11.6	11.7	10.7	10.9	10.7
● Accrued Actuarial Liability	8.3	7.9	8.2	8.7	8.8	8.8
Funding Ratios	131%	147%	143%	123%	123%	121%

Pictured Above: David Clark
Utah State Representative, District 74, Washington County

Pension Plan GOVERNORS AND LEGISLATIVE



401 (k) AND 457 PLAN HIGHLIGHTS

December 31, 2004

The purpose of the 401(k) and 457 Plans is to allow public employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their pre-tax income in one or both of these supplemental retirement plans. It has long been recognized that for employees to experience the comfortable and rewarding retirement they desire, they cannot rely entirely upon Social Security and their employer-provided retirement. Employees should take the initiative to personally put aside a portion of their salary into some type of long-term savings plan.

The Plans provide the following benefits:

- Convenient, automatic payroll deduction
- Eleven investment options
- Tax deferred savings
- Increase or decrease contributions as often as every pay period
- Change allocation of future contributions as often as desired
- Transfer funds between investment options as often as every seven days
- Rollover funds into any eligible plan or IRA upon termination or retirement
- Upon death, funds transfer to beneficiaries
- Immediate vesting
- No sales commissions
- Low investment and administrative fees
- Plan Loans
- Hardship and Emergency withdrawals

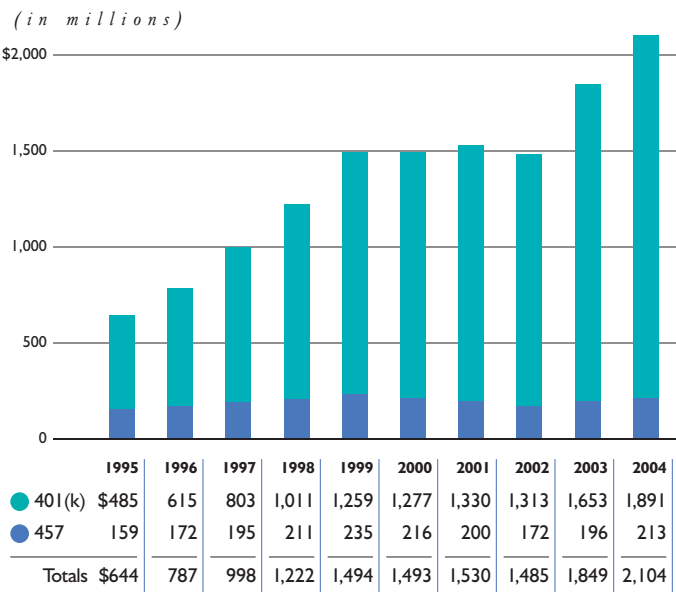
Each year the number of employees participating in these plans increases. Individuals may participate in more than one option. As of December 31, 2004 the number of participants by investment plan are shown to the right.

Annualized rates of returns for the Investment Funds are shown on page 99.

Membership Information

At December 31, 2004		
	401(k)	457
Number of active employees eligible to participate	91,494	80,698
Employee contributions (excluding employer contributions):		
Number of employees contributing	42,560	5,323
Percent of eligible employees contributing	46.5%	6.6%
Average percent of salary deferred by employees	6.1%	8.2%
Total participants	125,312	12,532
Average participant account balance	\$15,087	17,018

401(k) and 457 Member Balances



FINANCIAL

S e c t i o n

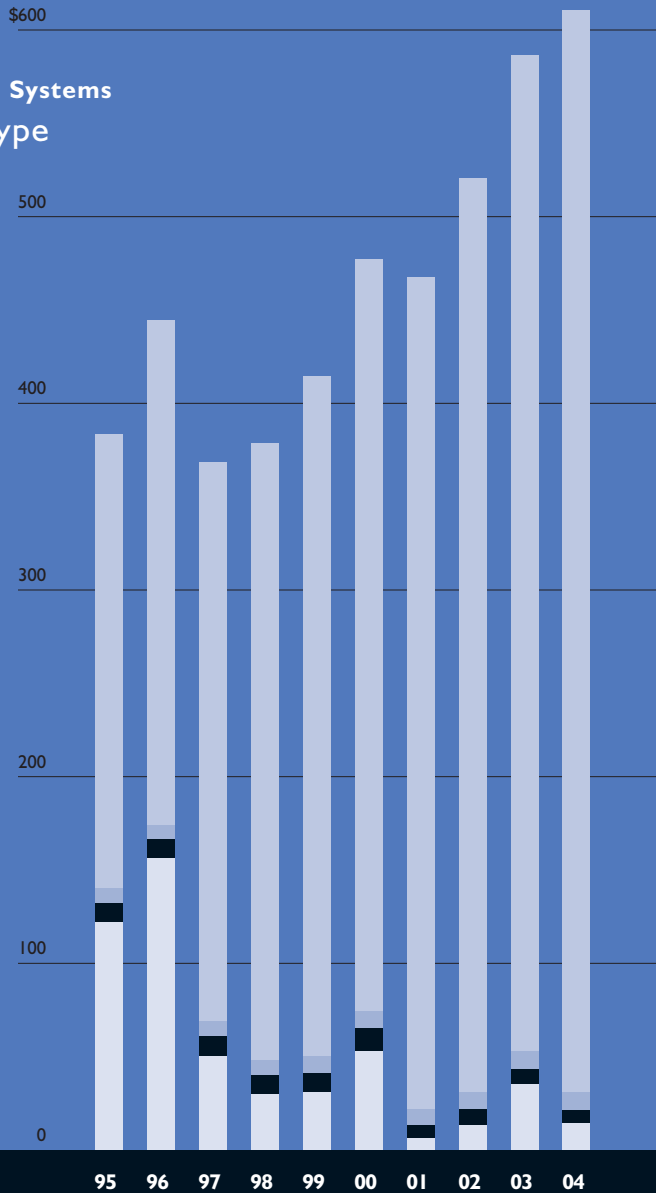


27	Independent Auditors' Report
28	Management's Discussion and Analysis
42	Basic Financial Statements
64	Required Supplementary Information
68	Individual Retirement Systems' Schedules by Division
88	Schedules of Administrative and Investment Expenses

Utah Retirement Systems
(in millions)

All Utah Retirement Systems
Deductions by Type

DEDUCTIONS BY TYPE



(in millions)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
● Benefits	\$243	270	299	330	364	403	445	489	533	579
● Administrative Expense	8	8	8	8	9	9	9	9	10	10
● Refunds	10	10	11	10	10	12	7	9	8	7
● Transfers to Systems	124	158	52	31	33	55	8	15	37	16
Totals	\$385	446	370	379	416	479	469	522	588	611

INDEPENDENT AUDITORS' REPORT



Deloitte & Touche LLP
Suite 1800
50 South Main St.
Salt Lake City, UT 84144
USA

INDEPENDENT AUDITORS' REPORT

Tel: +1 801 328 4706
Fax: +1 801 355 7515
www.deloitte.com

Utah State Retirement Board:

We have audited the accompanying basic financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board as of December 31, 2004, and for the year then ended, listed in the foregoing table of contents. These financial statements are the responsibility of the management of Utah Retirement Systems. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utah Retirement Systems' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements present fairly, in all material respects, the plan net assets of the pension trust funds of Utah Retirement Systems administered by the Utah State Retirement Board as of December 31, 2004, and the changes in plan net assets of the pension trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary financial supporting schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary supporting schedules are also the responsibility of the management of Utah Retirement Systems. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered 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 are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Utah Retirement Systems. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2005, on our consideration of Utah Retirement Systems' internal control over financial reporting and our tests of their compliance and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

February 25, 2005

Member of
Deloitte Touche Tomatsu

Utah Retirement Systems

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

This section presents management's discussion and analysis of the Utah Retirement Systems' (URS)

financial position and performance for the year ended December 31, 2004.

It is presented as a narrative overview and analysis. Please read it in

conjunction with the Letter of Transmittal included in the Introductory

Section, the financial statements and other information which are presented

in the Financial Section of this Comprehensive Annual Financial Report.

URS is responsible for administering retirement and defined contribution benefits for State, local government and public education employees in the State of Utah. URS is comprised of six defined benefit pension systems (Systems) and two defined contribution plans (Plans). The six 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) and the Governors and Legislative Pension Plan (Governors and Legislative Plan). The two defined contribution plans (Plans) are the 401(k) and 457 Plans. 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 \$1.8 billion, or 12.9 percent during calendar year 2004. The increase was primarily due to the increase in equity markets and increasing retirement contributions.
- The URS Defined Benefit Pension Systems' rate of return on investments during calendar year 2004 was 13.2 percent compared with the calendar year 2003 rate of return of 26.0 percent. The decrease in rate of return was due primarily to the decrease in equity performance in 2004.
- The URS Defined Benefit Pension Systems were actuarially funded at an average of 94.7 percent as of January 1, 2004, an increase from the comparative average of 92.8 percent as of January 1, 2003. During 2004 the funded ratio decreased from 94.7 percent at the beginning of the year to 92.5 percent at December 31, 2004 due to negative actuarial experience.
- The Defined Contribution Plans' net assets increased \$254 million during calendar year 2004 due to investment gains from the increase in equity markets and participant contributions.
- The Defined Contribution Plans' rates of return for investment options ranged from a high of 18.9 percent to a low of 3.4 percent compared to prior year investment option returns of a high of 51.4 percent and a low of 3.9 percent.

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

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, 2004. 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, 2004, 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 parties outside of URS. The fiduciary fund is comprised of eight pension (and other employee benefit) trust funds which consist of six defined benefit systems and two defined contribution plans.

- The Statements of Fiduciary Net Assets are presented for the pension trust funds at December 31, 2004 with combined total comparative information at December 31, 2003. 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, 2004 with combined total comparative information for the year ended December 31, 2003. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries, for calendar years 2004 and 2003.

2) Notes to the Basic Financial Statements.

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

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

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 explains transfers to or from affiliated systems.
 - Note 8 describes supplemental benefits.
 - Note 9 provides information about litigation.
 - Note 10 describes commitments for investment funding.
 - Note 11 provides information about pension plan participation.
 - Note 12 describes compensated absences, post employment benefits and insurance reserves.
 - Note 13 describes required supplementary information.
 - Note 14 provides information about risk management of URS.
 - Note 15 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

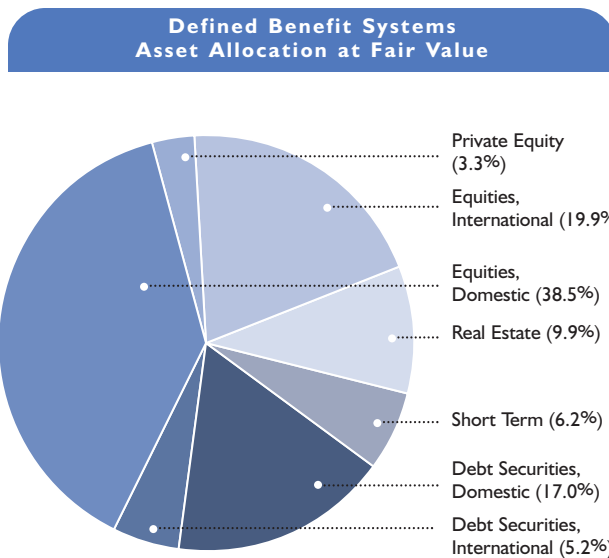
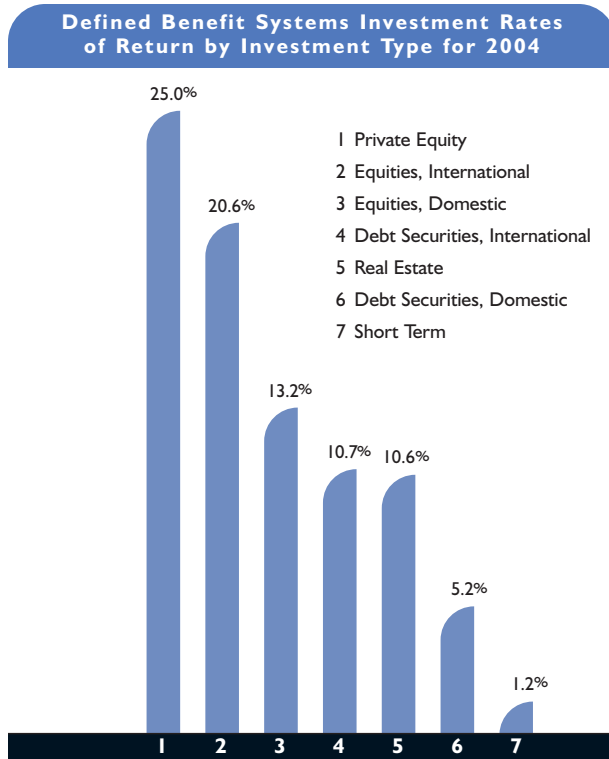
Investments of the URS Defined Benefit Systems are combined in a commingled investment pool as authorized by state statute. Each system owns an equity position in the pool and receives proportionate investment income from the pool in accordance with each respective ownership percentage.

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.

Systems Total Investments

At December 31, 2004, URS Defined Benefit Systems had total net assets of \$16.1 billion, an increase of \$1.8 billion from calendar year 2003 investment totals. The combined investment portfolio experienced a return of 13.2 percent compared with the URS investment benchmark return of 12.7

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)



percent. Investment results over time compared with URS benchmarks are presented on page 94 in the Investment Section.

Since investment gain in all of the retirement systems were about 13.2 percent of net assets, further investment performance will not be evaluated in each respective system.

Equities

At December 31, 2004, URS Defined Benefit Systems held \$9.9 billion in U.S. and international equity securities, an increase of \$1.8 billion from year 2003. U.S. equity and international equity securities had returns of 13.2 percent and 20.6 percent respectively, for the 2004 calendar year, compared to URS benchmark returns of 12.0 percent and 21.7 percent respectively.

Debt Securities

At December 31, 2004, URS Defined Benefit Systems held \$3.8 billion in U.S. debt and international debt securities, an increase of \$692.3 million from year 2003. U.S. debt securities returned 5.2 percent while international debt securities returned 10.7 percent in calendar year 2004 compared with URS benchmark returns of 4.3 percent and 9.3 percent respectively.

Real Estate

At December 31, 2004, URS Defined Benefit Systems held \$1.7 billion in real estate investments, an increase of \$485.5 million from year 2003. Real estate investments returned 10.6 percent in calendar year 2004 compared with URS benchmark return of 16.2 percent.

Private Equity

At December 31, 2004, URS Defined Benefit Systems held \$552.5 million in private equity investments, a decrease of \$101.8 million from year 2003. Private equity investments returned 25.0 percent in calendar year 2004. The URS benchmark for private equity investments was 15.3 percent.

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)***Short Term**

At December 31, 2004, URS Defined Benefit Systems held \$1.1 billion in short-term investments, a decrease of \$527.6 million from year 2003. Short-term investments returned 1.2 percent in calendar year 2004, which compared to the URS benchmark return of 1.3 percent.

Security Lending

The Systems earn additional investment income by lending investment securities to brokers. This is done on a pooled basis by URS' custodial bank, The Northern Trust Company

(TNT). The brokers provide collateral to TNT and generally use the borrowed securities to cover short sales and failed trades. TNT invests the cash collateral received from the brokers in order to earn interest. At December 31, 2004, the Systems had \$2.3 billion on loan secured by collateral of \$2.4 billion. For calendar year 2004, net securities lending income to the Systems amounted to \$4.3 million, an increase of \$116 thousand over calendar year 2003. The increase in security lending revenue for year 2004 represents mainly an increase in demand by brokers to borrow available securities.

Analysis of Individual Systems:**Noncontributory System**

The Noncontributory System provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2004 totaled \$12.8 billion, an increase of \$1.5 billion (13.4 percent) from \$11.3 billion at December 31, 2003.

Additions to the Noncontributory System net assets held in trust for benefits include employer contributions, investment income and transfers. For the 2004 calendar year, member and employer contributions increased from \$326.0 million for the calendar year 2003 to \$383.5 million, an increase of \$57.5 million (17.6 percent). Contributions increased because contribution rates increased. The system recognized a net investment gain of \$1.5 billion for the 2004 calendar year compared with net investment gain of \$2.3 billion for the 2003 calendar year. The decrease in investment gain for 2004 compared to 2003 was due to the lower rate of return realized in 2004.

Deductions from the Noncontributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the 2004 calendar year, benefits amounted to \$424.9 million, an increase of \$38.1 million (9.9 percent) over 2003 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2004 calendar year, the costs of administering the system totaled \$7.8 million, a decrease of \$366 thousand (4.5 percent) from calendar year 2003.



MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

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, 2004, the funded status of the system increased to 94.4 percent from 92.2 percent at January 1, 2003. The amount by which the Noncontributory System actuarial assets were under actuarial benefit liabilities was \$693,785 million at January 1, 2004, compared with being under funded by \$915.8 million at January 1, 2003. The increase in funded status as of the last actuarial valuation was a result of the higher than expected investment returns over the previous year.

Contributory System

The Contributory system provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2004 totaled \$949.4 million, an increase of \$59.6 million (6.7 percent) from \$889.8 million at December 31, 2003.

Additions to the Contributory System net assets held in trust for benefits include employer and member contributions, investment income and transfers. For the 2004 calendar year, member and employer contributions increased from \$16.0 million for the calendar year 2003 to \$18.6 million, an increase of \$2.6 million (16.4 percent). 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 \$117.3 million for the 2004 calendar year compared with net investment gain of \$186.3 million for the 2003 calendar year. The decrease in investment gain for 2004 compared to 2003 was due to the lower rate of return realized in 2004.

Deductions from the Contributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the 2004 calendar year, benefits amounted to \$57.0 million, a decrease of \$870 thousand (1.5 percent) from 2003 calendar year. The decrease in benefit payments was due to the decline in the number of retired members in the system. For the 2004 calendar year, the costs of administering the system totaled \$618 thousand, a decrease of \$57 thousand (8.4 percent) from calendar year 2003.

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, 2004, the funded status of the system increased to 93.0 percent from 92.1 percent at January 1, 2003. The amount by which the Contributory System actuarial assets were under actuarial benefit liabilities was \$68.6 million at January 1, 2004, compared with \$77.6 million at January 1, 2003. The increase in funded status as of the last actuarial valuation was a result of the higher than expected investment returns over the previous year.

Public Safety System

The Public Safety System provides retirement benefits to eligible public safety employees of the State of Utah, local governments and higher education. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2004 amounted to \$1.6 billion, an increase of \$189.9 million (13.5 percent) from \$1.4 billion at December 31, 2003.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fiduciary Net Assets—Pension Trust Funds

December 31

(dollars in thousands)

	Noncontributory System		Contributory System		Public Safety System	
	2004	2003	2004	2003	2004	2003
Assets:						
Cash and receivables	\$ 295,018	342,879	20,977	26,319	35,887	42,149
Investments at fair value	13,463,600	11,526,852	1,000,685	910,022	1,679,443	1,435,414
Invested securities lending collateral	1,837,043	1,191,653	136,539	94,078	229,152	148,395
Property and equipment	3,236	4,027	241	318	405	502
Total assets	15,598,897	13,065,411	1,158,442	1,030,737	1,944,887	1,626,460
Liabilities:						
Securities lending collateral liability	1,837,043	1,191,653	136,539	94,078	229,152	148,395
Investment accounts and other payables	975,724	593,618	72,510	46,851	121,692	73,898
Total liabilities	2,812,767	1,785,271	209,049	140,929	350,844	222,293
Total net assets	\$12,786,130	11,280,140	949,393	889,808	1,594,043	1,404,167

Changes in Fiduciary Net Assets—Pension Trust Funds

Year Ended December 31

(dollars in thousands)

	Noncontributory System		Contributory System		Public Safety System	
	2004	2003	2004	2003	2004	2003
Additions:						
Contributions	\$ 383,486	326,028	18,587	15,970	61,357	51,103
Investment income	1,547,605	2,315,577	117,340	186,339	192,784	288,126
Transfers from affiliated systems	10,583	—	—	33,263	4,002	2,002
Total additions	1,941,674	2,641,605	135,927	235,572	258,143	341,231
Deductions:						
Pension benefits	424,897	386,791	56,992	57,863	66,329	59,941
Refunds	3,029	3,310	2,945	3,358	960	666
Administrative expenses	7,758	8,124	618	675	978	1,006
Transfers to affiliated systems	—	37,006	15,787	—	—	—
Total deductions	435,684	435,231	76,342	61,896	68,267	61,613
Increase in net assets	\$ 1,505,990	2,206,374	59,585	173,676	189,876	279,618

Additions to the Public Safety System net assets held in trust for benefits include employer contributions, investment income and transfers. For the 2004 calendar year, member and employer contributions increased from

\$51.1 million for the calendar year 2003 to \$61.4 million, an increase of \$10.3 million (20.1 percent). Contributions increased because contribution rates increased. The system recognized a net investment gain of \$192.8 million

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Firefighters System		Judges System		Governors and Legislative Pension Plan		Total Defined Benefit Pension Plans		Percent Change
2004	2003	2004	2003	2004	2003	2004	2003	
15,960	16,525	2,442	2,875	236	298	370,520	431,045	(14.0)%
670,439	583,468	111,060	96,527	11,673	10,636	16,936,900	14,562,919	16.3
91,478	60,319	15,153	9,979	1,593	1,100	2,310,958	1,505,524	53.5
161	204	27	34	3	4	4,073	5,089	(20.0)
778,038	660,516	128,682	109,415	13,505	12,038	19,622,451	16,504,577	18.9
91,478	60,319	15,153	9,979	1,593	1,100	2,310,958	1,505,524	53.5
48,581	30,037	8,046	4,969	846	548	1,227,399	749,921	63.7
140,059	90,356	23,199	14,948	2,439	1,648	3,538,357	2,255,445	56.9
637,979	570,160	105,483	94,467	11,066	10,390	16,084,094	14,249,132	12.9%

Firefighters System		Judges System		Governors and Legislative Pension Plan		Total Defined Benefit Pension Plans		Percent Change
2004	2003	2004	2003	2004	2003	2004	2003	
14,951	15,114	2,539	2,593	—	—	480,920	410,808	17.1%
77,602	117,392	12,852	19,417	1,381	2,202	1,949,564	2,929,053	(33.4)
980	625	204	1,128	18	—	15,787	37,018	(57.4)
93,533	133,131	15,595	23,138	1,399	2,202	2,446,271	3,376,879	(27.6)
25,263	23,520	4,518	4,361	712	726	578,711	533,202	8.5
106	414	—	—	5	—	7,045	7,748	(9.1)
345	360	61	63	6	6	9,766	10,234	(4.6)
—	—	—	—	—	12	15,787	37,018	(57.4)
25,714	24,294	4,579	4,424	723	744	611,309	588,202	3.9
67,819	108,837	11,016	18,714	676	1,458	1,834,962	2,788,677	(34.2)%

for the 2004 calendar year compared with net investment gain of \$288.1 million for the 2003 calendar year. The decrease in investment gain for 2004 compared to 2003 was due to the lower rate of return realized in 2004.

Deductions from the Public Safety System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2004 calendar year, benefits amounted to \$66.3 million, an increase of \$6.4 million

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

(10.7 percent) over the 2003 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2004 calendar year, the costs of administering the system totaled \$978 thousand, a decrease of \$28 thousand (2.8 percent) from calendar year 2003.

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, 2004, the funded status of the system increased to 93.1 percent from 92.5 percent at January 1, 2003. The amount by which the Public Safety System actuarial assets were under actuarial benefit liabilities was \$107.9 million at January 1, 2004, compared with being under funded by \$109.1 million at January 1, 2003. The increase in funded status as of the last actuarial valuation was a result of the higher than expected investment returns over the previous year.

Firefighters System

The Firefighters System provides retirement benefits to covered firefighters of the State of Utah and local governments. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2004 amounted to \$638.0 million, an increase of \$67.8 million (11.9 percent) from \$570.2 million at December 31, 2003.

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 the 2004 calendar year, member and employer contributions decreased from \$15.1 million for the calendar year 2003 to \$15.0 million, a decrease of \$163 thousand (1.1 percent). Contributions decreased because insurance premium taxes decreased.

The system recognized a net investment gain of \$77.6 million for the 2004 calendar year compared with net investment gain of \$117.4 million for the 2003 calendar year. The decrease in investment gain for 2004 compared to 2003 was due to the lower rate of return realized in 2004.

Deductions from the Firefighters System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2004 calendar year, benefits amounted to \$25.3 million, an increase of \$1.7 million (7.4 percent) over the 2003 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2004 calendar year, the costs of administering the system totaled \$345 thousand, a decrease of \$15 thousand (4.2 percent) from calendar year 2003.

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, 2004, the funded status of the system increased to 107.3 percent from 106.2 percent at January 1, 2003. The amount by which the Firefighters System actuarial assets were over actuarial benefit liabilities was \$40.1 million at January 1, 2004, compared with \$32.4 million at January 1, 2003. The increase in funded status as of the last actuarial valuation was a result of the higher than expected investment returns over the previous year.

Judges System

The Judges System provides retirement benefits to judges in the State of Utah who are eligible to participate in the system. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2004 amounted to \$105.5 million, an increase of \$11.0 million (11.7 percent) from \$94.5 million at December 31, 2003.

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

Additions to the Judges System net assets held in trust for benefits consist of employer contributions, including court fees, investment income and transfers. For the 2004 calendar year, member and employer contributions decreased from \$2.6 million for the calendar year 2003 to \$2.5 million, a decrease of \$54 thousand (2.1 percent). Contributions decreased because court fees decreased. The system recognized a net investment gain of \$12.9 million for the 2004 calendar year compared with net investment gain of \$19.4 million for the 2003 calendar year. The decrease in investment gain for 2004 compared to 2003 was due to the lower rate of return realized in 2004.

Deductions from the Judges System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2004 calendar year, benefits amounted to \$4.5 million, an increase of \$158 thousand (3.6 percent) over 2003 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2004 calendar year, the costs of administering the system totaled \$61 thousand, a decrease of \$2 thousand (3.2 percent) over calendar year 2003.

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, 2004, the funded status of the system decreased to 99.5 percent from 100.4 percent at January 1, 2003. The amount by which the Judges System actuarial assets were under actuarial benefit liabilities was \$490 thousand at January 1, 2004, compared with \$331 thousand over at January 1, 2003. The decrease in funded status as of the last actuarial valuation was a result of negative actuarial experience.

Governors and Legislative Plan

The Governors and Legislative Plan provides retirement benefits to governors and legislators of the State of Utah. Benefits of the

system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2004 amounted to \$11.1 million, an increase of \$676 thousand (6.5 percent) from \$10.4 million at December 31, 2003.

Additions to the Governors and Legislative Plan net assets held in trust for benefits include investment income and transfers. No employer contributions were needed for this plan because of the current over funded status. The system recognized a net investment gain of \$1.4 million for the 2004 calendar year compared with net investment gain of \$2.2 million for the 2003 calendar year. The decrease in investment gain for 2004 compared to 2003 was due to the lower rate of return realized in 2004.

Deductions from the Governors and Legislative Plan net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2004 calendar year, retirement benefits amounted to \$712 thousand, a decrease of \$14 thousand (1.9 percent) from 2003 calendar year. The decrease in benefit payments was due to a decrease in the number of benefit recipients. For the 2004 calendar year, the costs of administering the system totaled \$6 thousand, a slight decrease over the preceding year.

An actuarial valuation of the Governors and Legislative Plan assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2004, the funded status of the system increased to 123.8 percent from 123.1 percent at January 1, 2003. The amount by which the Governors and Legislative Plan actuarial assets were over actuarial benefit liabilities was \$2.1 million at January 1, 2004, compared with \$2.0 million at January 1, 2003. The increase in funded status as of the last actuarial valuation was a result of the higher than expected investment results over the previous year.

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

Actuarial Valuations and Funding Progress

Actuarial valuation of each defined benefit system is performed annually. At January 1, 2004, the date of the most recent actuarial valuation, the average funded ratio of the Systems was 94.7 percent. This was an increase

from the Systems' January 1, 2003 valuation average funded ratio of 92.8 percent, a increase in funded status of 2 percent. As of December 31, 2004, the Systems' average funded ratio had decreased to 92.5 percent. This was a decrease in the Systems' funded ratio of 2.2 percent for calendar year 2004. The funded ratio decrease for all systems was the result of negative actuarial experience.

At December 31, 2004 the Systems' unfunded actuarial accrued liability was \$1.2

billion. This was a net increase in the under funded position of \$414.7 million for the year. At December 31, 2004 the difference between the actuarial value of assets and market value of assets was \$690.1 million in actuarially deferred gains. This was an increase of \$1.2 billion in actuarially deferred gains from the \$469.0 million in actuarially deferred losses at January 1, 2004. These actuarially deferred gains will be recognized by the actuary over the next four years.



Defined Contribution Plans

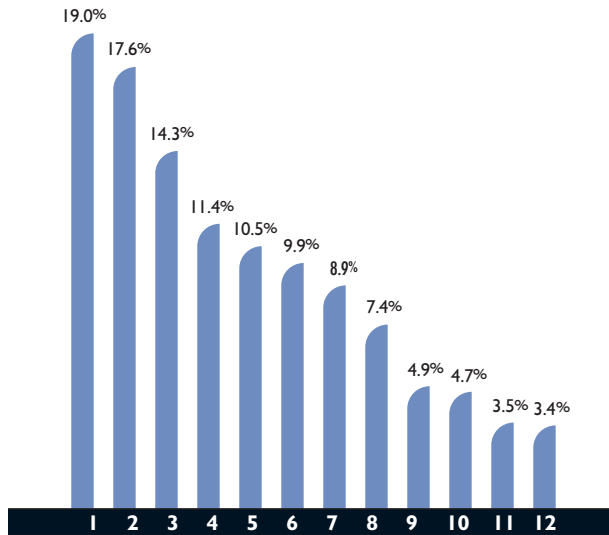
401(k) Defined Contribution Plan

The 401(k) Plan is established under section 401(k) of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2004 amounted to \$1.9 billion, an increase of \$237.2 million (14.3 percent) over net assets at December 31, 2003.

Additions to the 401(k) Plan net assets held in trust for benefits include contributions and investment income. For the 2004 calendar year, contributions increased from those of 2003 calendar year from \$161.2 million to \$171.0 million, an increase of \$9.7 million (6.0 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$152.4 million for the 2004 calendar year compared with a net

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Defined Contribution Plans Investment Options Rates of Return for 2004



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

Defined Contribution Plans Comparative Annualized Rates of Return

December 31, 2004

Investment Option	2004	2003
Income Fund.....	3.4	3.9%
Bond Fund.....	3.5	5.8
Balanced Fund.....	9.9	20.1
Large Cap Stock Value Fund.....	19.0	32.1
Large Cap Stock Index Fund.....	10.5	28.2
Large Cap Stock Growth Fund.....	7.4	21.8
International Fund.....	14.3	36.1
Small Cap Stock Fund.....	17.6	51.4
Short Horizon Fund.....	4.9	9.0
Medium Horizon Fund.....	8.9	20.0
Long Horizon Fund.....	11.4	27.6
Group Annuity Fund.....	4.7	5.1

investment gain of \$249.3 million for the 2003 calendar year.

Deductions from the 401(k) Plan net assets include participant and beneficiary refunds, and administrative expenses. For the 2004 calendar year, refunds amounted to \$81.6 million, an increase of \$15.8 million (24.1 percent) over 2003 calendar year. The increase in refunds was due to an increase in withdrawals for calendar year 2004. For the 2004 calendar year, the costs of administering the plan amounted to \$4.6 million, an increase of \$448 thousand over calendar year 2003.

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 of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2004 amounted to \$213.3 million, an increase of \$17.1 million (8.7 percent) over net assets at December 31, 2003.

Additions to the 457 Plan net assets held in trust for benefits include contributions and investment income. For the 2004 calendar year, contributions increased from those of 2003 calendar year from \$13.8 million to \$17.4 million or an increase of \$3.6 million (25.7 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$17.1 million for the 2004 calendar year compared with a net investment gain of \$29.2 million for the 2003 calendar year. The increase from investments was due mainly to the upturn in equity markets during 2004.

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

Fiduciary Net Assets — Defined Contribution Plans							
<i>December 31 (dollars in thousands)</i>							
	401(k) Plan		457 Plan		Total Defined Contribution Plans		Percent Change
	2004	2003	2004	2003	2004	2003	
Assets:							
Cash and receivables	\$ 39,360	34,518	1,859	1,643	41,219	36,161	14.0%
Investments at fair value	1,854,016	1,622,761	211,662	195,779	2,065,678	1,818,540	13.6
Invested securities							
lending collateral	52,879	34,170	5,315	3,390	58,194	37,560	54.9
Total assets	1,946,255	1,691,449	218,836	200,812	2,165,091	1,892,261	14.4
Liabilities:							
Securities lending collateral liability	52,879	34,170	5,315	3,390	58,194	37,560	54.9
Investment accounts							
and other payables	2,821	3,904	250	1,203	3,071	5,107	(39.9)
Total liabilities	55,700	38,074	5,565	4,593	61,265	42,667	43.6
Total net assets	\$1,890,555	1,653,375	213,271	196,219	2,103,826	1,849,594	13.7%

Deductions from the 457 Plan net assets include participant and beneficiary refunds, and administrative expenses. For the 2004 calendar year, refunds amounted to \$16.9 million, a decrease of \$940 thousand (5.3 percent) under the 2003 calendar year. The decrease in refunds was due to a decrease in withdrawals for calendar year 2004. For the 2004 calendar year, the costs of administering the plan amounted to \$497 thousand, an increase of \$27 thousand over calendar year 2003.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

Changes in Fiduciary Net Assets — Defined Contribution Plans							
<i>Year Ended December 31 (dollars in thousands)</i>							
	401(k) Plan		457 Plan		Total Defined Contribution Plans		Percent Change
	2004	2003	2004	2003	2004	2003	
Additions:							
Contributions	\$ 170,958	161,212	17,368	13,812	188,326	175,024	7.6%
Investment income	152,410	249,313	17,118	29,193	169,528	278,506	(39.1)
Total additions	323,368	410,525	34,486	43,005	357,854	453,530	(21.1)
Deductions:							
Refunds	81,611	65,785	16,937	17,877	98,548	83,662	17.8
Administrative expenses	4,577	4,129	497	470	5,074	4,599	10.3
Total deductions	86,188	69,914	17,434	18,347	103,622	88,261	17.4
Increase in net assets	\$ 237,180	340,611	17,052	24,658	254,232	365,269	(30.4)%

UTAH RETIREMENT SYSTEMS

BASIC FINANCIAL STATEMENTS

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

December 31, 2004

With Comparative Totals for December 31, 2003

(in thousands)

	Noncontributory System	Contributory System	Public Safety System	Firefighters System
Assets:				
Cash	\$ 142	2	15	2
Receivables:				
Member contributions	—	339	103	147
Employer contributions	23,672	479	1,939	—
Court fees and fire insurance tax	—	—	—	2,306
Investments	271,204	20,157	33,830	13,505
Total receivables	294,876	20,975	35,872	15,958
Investments at fair value:				
Short-term securities, domestic	783,333	58,222	97,713	39,007
Short-term securities, international	54,925	4,082	6,852	2,735
Debt securities, domestic	2,284,410	169,789	284,956	113,755
Debt securities, international	700,035	52,030	87,323	34,859
Equity investments, domestic	5,183,525	385,267	646,589	258,122
Equity investments, international	2,682,780	199,398	334,648	133,593
Private equity	439,223	32,645	54,790	21,872
Real estate	1,330,076	98,858	165,912	66,233
Mortgage loans	5,293	394	660	263
Investment contracts	—	—	—	—
Total investments	13,463,600	1,000,685	1,679,443	670,439
Invested securities lending collateral	1,837,043	136,539	229,152	91,478
Property and equipment at cost, net of accumulated depreciation	3,236	241	405	161
Total assets	15,598,897	1,158,442	1,944,887	778,038
Liabilities:				
Securities lending collateral liability	1,837,043	136,539	229,152	91,478
Disbursements in excess of cash balance	8,102	602	1,010	403
Compensated absences, post employment benefits and insurance reserve	8,176	608	1,020	407
Investment accounts payable	577,881	42,940	72,066	28,770
Real estate liabilities	381,565	28,360	47,596	19,001
Total liabilities	2,812,767	209,049	350,844	140,059
Net assets held in trust for pension benefits (see supplemental schedules of funding progress, page 64)	\$ 12,786,130	949,393	1,594,043	637,979

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

Judges System	Defined Benefit Pension Plans		Defined Contribution Plans			Total Pension Trust Funds	
	Governors and Legislative Pension Plan	Total Defined Benefit Pension Plans	401(k) Plan	457 Plan	Total Defined Contribution Plans	2004	2003
1	1	163	2,031	198	2,229	2,392	4,682
—	—	589	—	—	—	589	778
31	—	26,121	—	—	—	26,121	22,755
173	—	2,479	—	—	—	2,479	30
2,237	235	341,168	37,329	1,661	38,990	380,158	438,961
2,441	235	370,357	37,329	1,661	38,990	409,347	462,524
6,462	679	985,416	—	—	—	985,416	1,415,410
453	48	69,095	—	—	—	69,095	166,741
18,844	1,980	2,873,734	641,828	68,608	710,436	3,584,170	2,935,023
5,774	607	880,628	—	—	—	880,628	790,632
42,758	4,494	6,520,755	1,007,763	109,416	1,117,179	7,637,934	6,370,916
22,130	2,326	3,374,875	171,691	16,139	187,830	3,562,705	2,800,352
3,623	381	552,534	—	—	—	552,534	654,294
10,972	1,153	1,673,204	—	—	—	1,673,204	1,187,701
44	5	6,659	—	—	—	6,659	6,662
—	—	—	32,734	17,499	50,233	50,233	53,728
111,060	11,673	16,936,900	1,854,016	211,662	2,065,678	19,002,578	16,381,459
15,153	1,593	2,310,958	52,879	5,315	58,194	2,369,152	1,543,084
27	3	4,073	—	—	—	4,073	5,089
128,682	13,505	19,622,451	1,946,255	218,836	2,165,091	21,787,542	18,396,838
15,153	1,593	2,310,958	52,879	5,315	58,194	2,369,152	1,543,084
67	7	10,191	77	120	197	10,388	19,565
67	7	10,285	—	—	—	10,285	56,185
4,765	501	726,923	2,744	130	2,874	729,797	674,477
3,147	331	480,000	—	—	—	480,000	4,801
23,199	2,439	3,538,357	55,700	5,565	61,265	3,599,622	2,298,112
105,483	11,066	16,084,094	1,890,555	213,271	2,103,826	18,187,920	16,098,726

UTAH RETIREMENT SYSTEMS

BASIC FINANCIAL STATEMENTS

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

Year Ended December 31, 2004

With Comparative Totals for Year Ended December 31, 2003

(in thousands)

	Noncontributory System	Contributory System	Public Safety System	Firefighters System
Additions:				
Contributions:				
Member	\$ 14,377	9,023	5,038	6,292
Employer	369,109	9,564	56,319	—
Court fees and fire insurance tax	—	—	—	8,659
Total contributions	383,486	18,587	61,357	14,951
Investment income:				
Net appreciation in fair value of investments	1,224,011	92,839	152,469	61,384
Interest, dividends and other investment income	356,378	26,988	44,398	17,862
Total investment income	1,580,389	119,827	196,867	79,246
Less investment expenses	32,784	2,487	4,083	1,644
Net investment income	1,547,605	117,340	192,784	77,602
Transfers from affiliated systems	10,583	—	4,002	980
Total additions	1,941,674	135,927	258,143	93,533
Deductions:				
Retirement benefits	360,819	36,620	56,047	19,757
Cost of living benefits	64,078	19,041	9,670	4,851
Supplemental retirement benefits	—	1,331	612	655
Refunds	3,029	2,945	960	106
Administrative expenses	7,758	618	978	345
Transfers to affiliated systems	—	15,787	—	—
Total deductions	435,684	76,342	68,267	25,714
Increase from operations	1,505,990	59,585	189,876	67,819
Net assets held in trust for pension benefits beginning of year	11,280,140	889,808	1,404,167	570,160
Net assets held in trust for pension benefits end of year	\$12,786,130	949,393	1,594,043	637,979

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

Judges System	Defined Benefit Pension Plans		Defined Contribution Plans			Total Pension Trust Funds	
	Governors and Legislative Pension Plan	Total Defined Benefit Pension Plans	401(k) Plan	457 Plan	Total Defined Contribution Plans	2004	2003
8	—	34,738	170,958	17,368	188,326	223,064	205,820
723	—	435,715	—	—	—	435,715	369,014
1,808	—	10,467	—	—	—	10,467	10,998
2,539	—	480,920	170,958	17,368	188,326	669,246	585,832
10,166	1,093	1,541,962	150,820	16,369	167,189	1,709,151	2,889,578
2,958	317	448,901	3,525	939	4,464	453,365	354,038
13,124	1,410	1,990,863	154,345	17,308	171,653	2,162,516	3,243,616
272	29	41,299	1,935	190	2,125	43,424	36,057
12,852	1,381	1,949,564	152,410	17,118	169,528	2,119,092	3,207,559
204	18	15,787	—	—	—	15,787	37,018
15,595	1,399	2,446,271	323,368	34,486	357,854	2,804,125	3,830,409
3,624	559	477,426	—	—	—	477,426	437,495
894	153	98,687	—	—	—	98,687	92,735
—	—	2,598	—	—	—	2,598	2,972
—	5	7,045	81,611	16,937	98,548	105,593	91,410
61	6	9,766	4,577	497	5,074	14,840	14,833
—	—	15,787	—	—	—	15,787	37,018
4,579	723	611,309	86,188	17,434	103,622	714,931	676,463
11,016	676	1,834,962	237,180	17,052	254,232	2,089,194	3,153,946
94,467	10,390	14,249,132	1,653,375	196,219	1,849,594	16,098,726	12,944,780
105,483	11,066	16,084,094	1,890,555	213,271	2,103,826	18,187,920	16,098,726

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2004

Note 1 Description of Systems and Plans

A brief description of the Utah Retirement Systems (Systems) and 401(k) and 457 Plans (Plans) follows. For a more complete description of plan provisions, membership and benefit statistics, see the Systems Highlights on pages 12 through 24 and Summaries of Plan Provisions on pages 114 through 123.

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** which are multiple-employer, cost sharing, public employee retirement systems;
- ii) the **Public Safety Retirement System** which is a mixed agent and cost-sharing, multiple-employer retirement system;
- iii) the **Judges Retirement System and the Governors and Legislative Pension Plan** which are single employer service employee retirement systems; and
- iv) two defined contribution plans comprised of the **401(k) Plan** and the **457 Plan**.

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

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

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems and Plans under the direction of the Board, whose members are appointed by the Governor. The Plans are established under the authority of the same sections of the Utah Code Annotated 1953, as amended, as well as under Sections 401(k) and 457 of the Internal Revenue Code. The Plans may be amended by the Board within the parameters of Sections 401(k) and 457 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.



Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004

Summary of Benefits by System

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System
Final average salary is	Highest 3 years	Highest 5 years	Highest 3 years		Highest 2 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 any age* 10 years age 62* 4 years age 65	20 years any age 10 years age 60 4 years age 65		25 years any age 20 years age 55* 10 years age 62 6 years age 70
Benefit percent per year of service**	2.0% per year all years	1.25% per year to June 1975 2.00% per year July 1975 to present	2.5% per year up to 20 years 2.0% per year over 20 years Benefit cannot exceed 70% of final average salary		5.00% first 10 years 2.25% second 10 years 1.00% over 20 years Benefit cannot exceed 75% of final average salary

Note: The Governors and Legislative Pension Plan benefits are explained in the second paragraph following this table.

* With actuarial reductions.

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

B) Retirement and Death Benefits

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

The Governors and Legislative Pension Plan provides the following benefits. Former governors at age 65 receive \$1,120 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$24.80 per month per year of service. Retirement at age 62 with ten or more years of service will receive an actuarial reduction. Both the governors' and legislators' benefits are adjusted based on the 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 retire-

ment 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) 401(k) and 457 Plans

The 401(k) and 457 Plans administered by the Board are defined contribution plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems for employees of employers who have adopted the 401(k) and 457 Plans. Contributions may be made into the Plans subject to plan and Internal Revenue Code limitations by employees of employers sponsoring the Plans. Employer contributions may be made into the Plans at rates determined by the employers. There are 344 employers participating in the 401(k) Plan and 153 employers participating in the 457 Plan. There are 125,312 plan participants in the 401(k) Plan and 12,532 participants in the 457 Plan.

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

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004

balances and plan provisions. The 401(k) and 457 Plans account balances are fully vested to the participants at the time of deposit.

Investments in the 401(k) and 457 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. Investments of the Plans are reported at fair value.

D) Contributions

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

Employee (member) contributions are placed into member accounts, and in systems where it is authorized, interest is credited to member accounts. Upon termination of employment, a member may withdraw their account balance, including interest which has been credited. Upon withdrawal a member forfeits the service credit which corresponds to the member contributions withdrawn. The noncontributory retirement systems have no member contributions flowing into them. However,

where members had a balance transferred in or purchased service credit in the system, these balances and on-going interest, where authorized, are credited to individual member accounts which may be withdrawn upon the termination of employment.

In the defined contribution plans, voluntary deferral of compensation within the limits of plan provisions may be made by employees. In addition to employee voluntary deferrals, employer contributions may be made into the Plans in behalf of employees. The recognition of deferred compensation, employer contributions and earnings on the accounts are deferred for income tax purposes until actually paid to the participant or beneficiary.

E) Covered Employees

The **Public Employees Noncontributory Retirement System (Noncontributory System)** was established on July 1, 1986. All eligible employees of the State and school entities hired subsequent to that date are automatically members of the Noncontributory System. Local government entities had the option of adopting the new System or remaining with the Contributory System. All Contributory System members whose employers adopted the Noncontributory System were given the opportunity to transfer to the new System during limited window periods. All eligible new hires subsequent to adoption of the noncontributory plans are automatically members of that plan.

Participating Members by System

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative Pension Plan
Number of participating:						
Employers	391	161	119	44	1	1
Members:						
Active	85,046	3,393	7,173	1,591	106	95
Terminated vested	23,823	1,430	1,192	77	7	87
Retirees and beneficiaries:						
Service benefits	23,774	6,514	3,031	875	84	221
Disability benefits	—	4	16	58	—	—

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS *(Continued)*

December 31, 2004

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

The **Public Safety Retirement System** includes eligible state and local government employees directly involved in law enforcement (e.g., game wardens, prison guards, police officers and highway patrol officers). The Public Safety System consists of both contributory

and noncontributory divisions. The noncontributory divisions were authorized by the Legislature effective July 1, 1989.

The **Firefighters Retirement System** includes eligible state and local government employees directly involved in fire fighting.

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

The **Governors and Legislative Pension Plan** includes only governors and legislators of the State.

The **401(k) and 457 Plans** may be utilized by employers adopting the Plans and by their employees.

At December 31, 2004 participating members by System are included in the table on page 48.

Note 2

Summary of Significant Accounting Policies

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

A) Method of Accounting

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

Utah Retirement Systems adhere to Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis— for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion*

and Analysis—for State and Local Governments: Omnibus, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. 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 64.



Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS *(Continued)*

December 31, 2004

B) Investments

By state statute all of the investment assets of the various Systems are pooled and invested in the common Pension Investment Trust 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 fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Many factors are considered in arriving at that value. Corporate debt securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Mortgages have been valued on an amortized cost basis which approximates market or fair value. The fair value of real estate investments has been estimated based on independent appraisals. Short-term investments 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 investments

where no readily ascertainable market value exists, management, in consultation with their investment advisors, have determined the fair values for the individual investments.

Approximately 13% 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 13%, approximately 6% are U.S. Government debt securities and approximately 7% are debt securities of the U.S. Government instrumentalities. The Systems and Plans have no investments of any commercial or industrial organization whose market value equals 5% or more of the Systems' net assets held in trust for pension benefits.

C) Property and Equipment

Property and equipment are recorded at cost (see note 4), are depreciated utilizing the straight-line method, and are included in the assets of the Investment Fund. The schedule to the right summarizes the estimated useful life by class.

Buildings	40 years
Building improvements	10 years
Furniture and equipment	3-10 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.

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS *(Continued)*

December 31, 2004



Note 3 Deposits and Investment Risk Disclosures

A) Deposits

Custodial Credit Risk for Deposits is the risk that in the event of a bank failure, the Systems' and Plans' deposits may not be returned to them. The deposits are held in one financial institution with an insured balance of \$100,000. The deposits in the bank in excess of \$100,000 are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The Systems and Plans do not have a deposit policy for custodial credit risk. Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value. At December 31, 2004, the carrying amount of deposits totaled approximately \$(7,996,000) and the corresponding bank balance was \$1,501,112 of which \$1,401,112 was exposed to custodial credit risk.

	<i>(in thousands)</i>
Cash	\$ 2,392
Disbursements in excess of cash balances	(10,388)
Total	\$ (7,996)

B) Investments

The upper left table on page 52 shows the investments of the Systems' and Plans' by investment type.

C) Credit Risk Debt Securities:

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

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

- Securities with a quality rating of below BBB- are considered below investment grade. No more than 5% of an Investment Manager's assets at market with a single issuer of 1% of the total portfolio can be below investment grade.
- Upon approval, a domestic debt securities investment manager may invest up to 10% of the portfolio in non-U.S. dollar denominated bonds.

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 BBB- or Moody's index Baa3). The remaining assets shall have on average an investment grade rating.

The weighted quality rating average of the domestic debt securities, excluding pooled investments, at December 31, 2004 is AA and the fair value of below grade investments is

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004

Investments		Debt Securities Investments at Fair Value			
at December 31, 2004		at December 31, 2004			
	(in thousands)	Quality Rating	Domestic	International	Total
	Fair Value				
Debt securities, domestic	\$ 2,597,950	AAA	\$ 918,837	426,690	1,345,527
Debt securities, international	525,742	AA+	16,022	7,326	23,348
Equity securities, domestic	6,099,679	AA	17,510	7,866	25,376
Equity securities, international	3,362,805	AA-	58,679	69,349	128,028
Short-term securities pools	1,054,509	A+	57,510	11,851	69,361
Mortgage loans:		A	69,726	34,696	104,422
Collateralized loans	23	A-	47,167	43,636	90,803
Real estate notes	6,635	BBB+	44,011	31,646	75,657
Real estate	453,046	BBB	77,201	41,823	119,024
Real estate joint ventures	1,220,159	BBB-	79,349	41,267	120,616
Alternative investments (venture capital)	552,533	BB+	13,946	2,452	16,398
Guaranteed investment contracts	50,233	BB-	3,148	668	3,816
Equity securities, domestic (pooled)	308,597	B+	—	80	80
Mutual fund, international	187,831	NR	1,008	—	1,008
Mutual fund, balanced	273,184				
Investments held by broker-dealers under securities lending program:		Total credit risk debt securities	1,404,114	719,350	2,123,464
U.S. Government and agency securities	915,722	U.S. Government and Agencies	1,409,587	49,154	1,458,741
Corporate debt securities, domestic	70,500	Pooled investments	770,469	112,124	882,593
Debt securities, international	354,886	Total debt securities investments	\$3,584,170	880,628	4,464,798
Equity securities, domestic	956,474				
Equity securities, international	12,070				
Total investments	\$19,002,578				
Securities lending collateral pool	\$ 2,369,152				

\$18,102,083 or 0.6% of the domestic portfolio. The weighted quality rating average of the international debt securities investments, at December 31, 2004 is AA- and the fair value of below grade investments is \$44,467,152 or 5.79% 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. At December 31, 2004 all debt securities investments were registered in the name of the Systems and Plans and were held in the possession of the Systems and Plans custodial bank, The Northern Trust Company.

E) Concentrations of Credit Risk

The Systems and Plans expect the domestic 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/Aa Debt Securities — no more than 4% of an investment manager's assets at market with a single issuer
- A/A Debt Securities — no more than 3% of an investment manager's assets at market with a single issuer
- BBB/Baa Debt Securities — no more than 2% of an investment manager's assets at market with a single issuer

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004

Debt Securities Investments, Domestic

at December 31, 2004

(dollars in thousands)

Investment	Fair Value	Effective Weighted Duration
Asset backed securities	\$ 139,996	1.43
Commercial mortgage backed securities	81,393	3.54
Corporate bonds	539,756	4.51
Corporate convertible bonds	2,174	0.15
Fixed income options, futures and swaps	402,088	5.63
Fixed income derivative offsets	(403,142)	NA
Government agencies	85,249	3.04
Government bonds	737,099	6.3
Government mortgage backed securities	1,005,695	3.27
Index linked government bonds	142,595	8.19
Municipal/provincial bonds	2,856	8.92
Non-government backed C.M.O.'s	134,976	3.03
Other fixed income	2,999	NA
Pooled debt securities	710,436	NA
Total debt securities investments, domestic	\$3,584,170	4.66

Debt Securities Investments, International

at December 31, 2004

(dollars in thousands)

Investment	Fair Value	Effective Weighted Duration
Asset backed securities	\$ 11,572	3.86
Commercial mortgage backed securities	10,061	3.49
Corporate bonds	342,467	5.01
Government agencies	19,802	4.31
Government bonds	424,765	5.50
Government mortgage backed securities	40,556	3.25
Index linked government bonds	1,625	0
Municipal/provincial bonds	6,412	6.46
Non-government backed C.M.O.'s	23,368	10.52
Total debt securities investments, international	\$880,628	5.35

- For Debt Securities — no individual holding shall constitute more than 10% of the market value of outstanding debt of a single issuer with the exception of the U.S. Government or its agencies, or collateralized mortgage obligations
- For Domestic Equity Securities — no more than 4% of an investment manager's assets at market with a single issuer

- For International Equity Securities — no more than 8% of an Investment manager's assets at market with a single issuer

At December 31, 2004 there were no single issuer investments that exceeded the above guidelines.

F) Interest Rate Risk

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

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

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

The Systems and Plans compare an investment's effective duration against the Lehman Brothers Aggregate Index for domestic debt securities and the Lehman Brothers Global Aggregate Index for international debt securities. The index range at December 31, 2004 is 3.26 - 5.43 for domestic debt securities and 2.53 - 7.59 for international debt securities. At December 31, 2004, no individual debt security investment manager's portfolio was outside of the policy guidelines. At December 31, 2004 the foregoing tables show the investments by investment type, amount and the effective weighted duration.

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004

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:

- 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 as follows:

Foreign Currency Risk

International Investment Securities
at Fair Value at December 31, 2004

Currency	(in thousands)			
	Short Term	Debt	Equity	Total
Argentine peso	\$ —	195	3,105	3,300
Aruban guilder	—	1,616	—	1,616
Australian dollar	(4,745)	3,084	48,774	47,113
Brazilian real	—	—	14,507	14,507
Bulgarian lev	—	300	—	300
Canadian dollar	340	10,018	46,570	56,928
Cayman Islands dollar	—	9,380	1,318	10,698
Chilean peso	—	1,353	576	1,929
Danish krone	—	13,422	22,960	36,382
El Salvador colon	—	—	347,801	347,801
Estonia kroon	—	—	3,077	3,077
Ethiopian birr	17,135	—	546,097	563,232
Euro	—	229,815	641,597	871,412
Hong Kong dollar	1,251	—	31,919	33,170
Indian rupee	—	—	5,276	5,276
Japanese yen	(1,084)	56,220	540,525	595,661
Kazakhstan tenge	—	581	374	955
Mexican peso	178	4,572	5,509	10,259
Netherlands Antillan guilder	—	58,191	167,557	225,748
New Jersey dollar	—	—	3,412	3,412
New Taiwan dollar	799	—	11,909	12,708
New Zealand dollar	73	1,865	6,216	8,154
Norwegian krone	—	2,421	9,962	12,383
Panamanian balboa	—	—	3,524	3,524
Poland zloty	—	1,637	—	1,637
Pound sterling	(51,688)	73,441	531,158	552,911
Qatari rial	—	252	—	252
Russian ruble	—	—	1,803	1,803
Singapore dollar	107	3,621	17,879	21,607
South African rand	—	—	1,444	1,444
South Korean won	—	4,176	48,710	52,886
Swedish krona	(367)	28,311	52,769	80,713
Swiss franc	—	—	242,598	242,598
Venezuelan bolivar	—	—	3,655	3,655
International equity mutual fund (various currencies)	—	—	187,830	187,830
Total Securities subject to foreign currency risk	(38,001)	504,471	3,550,411	4,016,881
United States dollars (securities held by international investment managers)	107,096	376,157	12,294	495,547
Total international investment securities	\$ 69,095	880,628	3,562,705	4,512,428

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004



H) Security Lending

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

At year end there was no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year end were \$2,309,652,000 and the collateral received for those securities on loan was \$2,369,152,000. Under the terms of the lending agreement, the Systems and Plans are indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency or failure of the lending agent to properly evaluate the creditworthiness of the borrower. In addition, the Systems and Plans are indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis. All securities loaned can be terminated on demand by either the Systems and Plans or the borrower. Cash collateral is invested in the lending agent's short-term investment pool. The short-term investment pool guidelines specify that a minimum of 20% of the invested cash collateral is to be available each business day and the dollar weighted average maturity of holdings should not exceed 60 days. The relationship between the maturities of the short-term investment pool and the Systems' and Plans' loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Systems and

Plans cannot determine. Since the securities lending collateral is in a pool maintained by the custodial bank, the Systems and Plans do not have the ability to pledge or sell the securities, and it is not necessary to report the total income and expenses of securities lending.

I) Derivative Financial Instruments

The Systems and Plans invest in derivative financial investments as authorized by Board policy. Derivatives are financial arrangements between two parties whose payments are based on, or "derived" from, the performance of some agreed-upon benchmark. At December 31, 2004 the Systems and Plans had four types of derivative financial instruments: futures, currency forwards, options, and swaps.

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the Systems' and Plans' credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains (losses) in the Statement of Changes in Fiduciary Net Assets. At December 31, 2004 the Systems' and Plan's investments had the following futures balances:

	Value Covered by Contract
Long—cash and cash equivalent—futures	\$ 459,955,575
Long-equity futures	468,719,402
Short-equity futures	(298,807,851)
Long-debt securities futures	539,311,906
Short-debt securities futures	136,170,356

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rate on the foreign currency dominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004

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. At December 31, 2004 the Systems' and Plans' investments included the following currency forwards balances:

Currency forwards (pending foreign exchange purchases)	\$ 1,205,727,995
Currency forwards (pending foreign exchange sales)	(1,218,341,507)

Options represent or give buyers the right, but not the obligation, to buy or sell 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 counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. At December 31, 2004 the Systems' and Plans' investments had the following option balances:

	Value Covered by Contract
Cash and cash equivalent purchased call options	\$ 933,238
Cash and cash equivalent purchased put options	399,575

Fixed income written put options	(896,756)
Fixed income written call options	(156,973)

Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. At the end of the year the Systems had two different types of swap arrangements: Interest Rate Swaps and Credit Default Swaps. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counter party who, in turn, agrees to make return interest payments that float with some reference rate. The interest rate swaps allowed the Systems to convert their long term variable interest rate credit facility loans into fixed interest rate loans. The credit default swaps protects the rental cash flows on one of the Systems real estate investments in case the major tenant defaults on its lease contract. Gains and losses on swaps are determined based on market values and are recorded in the Statement of Changes in Plan Net Assets. At December 31, 2004 the Systems investments had the following swap market value balances as shown in the table below.

J) Investment Payables

The investment accounts payable are comprised of investment advisor fees payable of \$9,291,000, administrative expenses payable of \$2,457,000, investment purchases payable of \$716,092,000 and real estate security deposits of \$1,957,000.

Swaps

	Outstanding Notational Amount (Base Used to Calculate Interest)	Interest Rate	Maturity Date	Fair Value
Interest Rate Swaps				
Morgan Stanley Interest Rate Swap	\$ 32,600,000	5.162% - 3 month LIBOR*	8/15/2015	\$ (897,005)
Morgan Stanley Interest Rate Swap	20,000,000	4.447% - LIBOR*	10/20/2014	45,180
Morgan Stanley Interest Rate Swap	37,000,000	4.406% - LIBOR*	11/1/2014	174,279
Morgan Stanley Interest Rate Swap	120,000,000	4.163% - LIBOR*	12/1/2007	75,427
Morgan Stanley Interest Rate Swap	38,000,000	3.4675% - LIBOR*	11/2/2007	54,910
Total	\$247,600,000			\$ (547,209)
Credit Facility Swaps				
Morgan Stanley Credit Default Swaps	\$111,000,000		9/29/2008	\$(1,166,265)

*London Interbank Offered Rate (LIBOR)

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS *(Continued)*

December 31, 2004



Note 4 Property and Equipment

Property and equipment consist of the consist of the amounts shown in the following table as of December 31, 2004 and 2003. There were no significant leases as of

	<i>(in thousands)</i>	
	2004	2003
December 31, 2004 or 2003.		
Land	\$ 1,779	1,779
Buildings and building improvements	11,050	10,976
Furniture and equipment	3,326	3,507
Total property and equipment	16,155	16,262
Less accumulated depreciation:		
Buildings and building improvements	5,333	4,923
Furniture and equipment	2,652	2,524
Total accumulated depreciation	7,985	7,447
Less operating reserves	4,097	3,726
Net property and equipment	\$ 4,073	5,089



Note 5 Actuarial Values and Methods

A) Actuarial Asset Valuation

The actuarial value of assets is used in determining the funding progress of the Retirement Systems. The actuarial value of assets is based on a smoothed expected income investment rate. Investment income in excess or shortfall of the expected 8% rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

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 the top of page 58 were utilized in determining the actuarial value of assets as of January 1, 2004 and December 31,

2004, 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 64 and 65 of this report.

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004

Calculation of Actuarial Value of Assets

January 1, 2004 (dollars in thousands)				December 31, 2004 (dollars in thousands)					
1. Fair value of assets			\$14,249,132	1. Fair value of assets			\$16,084,094		
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:				2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:					
	Year	Total (Excess)/Shortfall	Percent Deferred	Amount Deferred		Year	Total (Excess)/Shortfall	Percent Deferred	Amount Deferred
a.	2003	\$(2,007,188)	80%	\$(1,605,750)	a.	2004	\$ (804,065)	80%	\$(643,253)
b.	2002	2,009,531	60%	1,205,718	b.	2003	(2,007,188)	60%	(1,204,316)
c.	2001	1,765,658	40%	706,263	c.	2002	2,009,531	40%	803,811
d.	2000	814,093	20%	162,818	d.	2001	1,765,658	20%	353,131
e.	1999	(932,957)	0%	0	e.	2000	814,093	0%	0
f. Total deferred losses			469,049	f. Total deferred gains			(690,627)		
3. Actuarial value of assets available for benefits			\$14,718,181	3. Actuarial value of assets available for benefits			\$15,393,467		

Actuarial value of assets can not exceed 120% of the fair value of assets or below 80% of the fair value of assets.

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 distribu-

tions 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, 2004 is presented in Notes to Required Supplementary Information on page 67.

Actuarial Value of Assets by System

January 1, 2004 (in thousands)	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative	Total All Systems
1. Net assets available for benefits at fair value	\$11,296,428	873,520	1,404,167	570,160	94,467	10,390	14,249,132
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income on fair value	361,097	40,429	44,721	19,342	2,945	515	469,049
3. Actuarial value of assets available for benefits	\$11,657,525	913,949	1,448,888	589,502	97,412	10,905	14,718,181

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004



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 an open 20 year amortization period. These 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 64 and 65.

The schedule below summarizes contribution rates in effect at December 31, 2004.

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 on page 60 for the Firefighters and Judges Systems, respectively. These contribution rates also include rates for a 3% benefit enhancement which is funded by the State. For contribution rate purposes the actuary evaluates the assets of the Systems based on a five-year smoothed

expected return wherein 20% of a year's excess or shortfall of expected return is recognized each year for five years.

The actuary recommended some increases and some decreases in contribution rates which became effective July 1, 2004.

Information with regard to contributions to the Retirement Systems for the year ended December 31, 2004 is indicated in the schedule on page 73.

Member contributions in the 401(k) and 457 Plans total \$188,326,000, which in combination with the member contributions made in the Retirement Systems total \$223,064,000.

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

Contribution Rates

System	Contribution Rates as a Percent of Covered Payroll		
	Member	Employer	Other
Noncontributory	—	11.09-13.38%	—
Contributory	6.00%	7.08-8.89	—
Public Safety:			
Noncontributory	—	19.08-32.52	—
Contributory	10.50-13.74	7.70-19.96	—
Firefighters:			
Division A	8.61	0.00	12.16%
Division B	7.83	0.00	12.16
Judges:			
Noncontributory	—	7.14	19.69
Contributory	2.00	5.14	19.69
Governors and Legislative	—	—	—

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004

Required Contributions

(dollars in thousands)

System	Contribution Requirements				Total Required Contributions	Total Actual Contributions	Contributions Made				
	Normal Cost		Unfunded Cost (assets in excess)				Member		Employer		Covered Payroll
	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll			Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll	
Noncontributory	\$383,158	12.42%	\$ 328	0.01%	\$383,486	\$383,486	\$14,377	0.47%	\$369,109	11.97%	\$3,084,317
Contributory	15,117	10.85	3,470	2.49	18,587	18,587	9,023	6.47	9,564	6.86	139,362
Public Safety	57,765	19.66	3,592	1.22	61,357	61,357	5,038	1.71	56,319	19.17	293,797
Firefighters	10,717	13.46	(4,425)	(5.56)	6,292	6,292	6,292	7.90	—	0.00	79,638
Judges	991	8.51	(260)	(2.23)	731	731	8	0.07	723	6.21	11,646
Governors and Legislative	—	0.00	—	0.00	—	—	—	0.00	—	0.00	556
Total	\$467,748		\$2,705		\$470,453	\$470,453	\$34,738		\$435,715		\$3,609,316


Note 7 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 8 Supplemental Benefits

In the past, the Utah State legislature appropriated funds as supplemental retirement benefits to be

paid to qualified participants who have previously retired under the Contributory System. These benefits, already granted, are now and will continue to be funded through contribution rates unless otherwise provided by the legislature.

Note 9 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 10 Commitments

At December 31, 2004, the Systems had committed to fund certain private equity partner-

ships and real estate projects for an amount of \$3,372,618,193. Funding of \$2,303,111,043 had been provided by December 31, 2004 leaving an unfunded commitment as of December 31, 2004 of \$1,069,507,150 which will be funded over the next six years.

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004



Note 11 Pension Plan Participation

Defined Benefit Plans — Utah Retirement Systems contributes to the State and School Noncontributory Retirement System, 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 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 13.8% of their 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, 2004, 2003, and 2002 were \$1,035,931, \$888,998, and \$759,438 respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plans — Utah Retirement Systems also participates in a defined contribution plan under Internal

Revenue Code Section 401(k) 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 to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended December 31, 2004, 2003, and 2002 are \$292,707, \$283,851, and \$256,950 respectively; the employee contributions for the years ending December 31, 2004, 2003, 2002 are \$421,800, \$402,892, and \$391,119 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.

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, 2004, 2003, and 2002 are \$269,033, \$196,864, and \$176,681 respectively.

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS *(Continued)*

December 31, 2004



Note 12

Compensated Absences, Post Employment Benefits and Insurance Reserve

The compensated absences liability for Utah Retirement Office employees at December 31, 2004, is \$2,916,000. This represents the amount of unused, leave to be paid to employees upon termination. At December 31, 2004

the insurance reserve was \$5,000,000. The insurance reserve coverage is explained in Note 14, Risk Management. The post employment benefit liability for Utah Retirement Office employees at December 31, 2004 is \$3,089,000. As set forth in URS personnel policies and procedures, approved by the Board, upon retirement, all employees will receive up to five years health and life insurance and may

use any unused sick leave (after a 25% cash out upon retirement) for coverage of health and life insurance benefits at the rate of one month's coverage for each eight hours of unused sick leave. As of December 31, 2004 there were 11 retired individuals on the insurance program. During the year, the Systems paid out \$61,038 for them.

Note 13

Required Supplementary Information

The historical trend information designed to provide information about the Utah Retirement

Systems' progress made is 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 64 through 67. 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 14

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 deductibles, and otherwise uninsured losses, are retained by the Systems, Plans or Investment Fund through the insurance reserve. URS significantly reduced its fiduciary insurance coverage, and cancelled its e-commerce coverage, choosing to self-insure, due to substantial rate increases. There have been no other 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.

Utah Retirement Systems

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

December 31, 2004

Note 15 Real Estate Liabilities

The real estate liabilities consist of three credit facility (lines of credit) loans, eight real estate notes and one mortgage loan. These loans and notes bear various interest rates and will be repaid over the next 14 years. Except for the Granite Park Mortgage which is secured by real estate, the rest of the liabilities are secured by the total investment portfolio. Following is a schedule of the outstanding real estate liabilities payable as of December 31, 2004:

Real Estate Liabilities

	Initial/Affected Balance	Interest/Payment Rate	Maturity Date	Annual Payment
Wells Fargo/Bank One Credit Facility	\$ 88,000,000	LIBOR* + 0.375%	5/14/2009	Interest Only
Bank One Credit Facility	220,000,000	LIBOR* + 0.350%	10/29/2007	Interest Only
US Bank Credit Facility	67,700,000	LIBOR* + 0.375%	11/15/2009	Interest Only
Private Placement Notes:				
Allstate Insurance Co.	5,000,000	4.86%	7/1/2011	Interest Only
Allstate Insurance Co.	5,000,000	4.86%	7/1/2011	Interest Only
Allstate Insurance Co.	5,000,000	4.86%	7/1/2011	Interest Only
Allstate Insurance Co.	5,000,000	4.86%	7/1/2011	Interest Only
State Farm Life Insurance Co.	37,991,745	4.86%	7/1/2016	4,295,692
State Farm Life & Acc. Assur. Co.	974,147	4.86%	7/1/2016	110,146
Northwestern Mutual Life Ins. Co.	20,000,000	5.38%	7/1/2014	Interest Only
Modern Woodmen of America	7,000,000	5.38%	7/1/2014	Interest Only
Granite Park Mortgage Payable	18,334,416	6.03%	1/15/2018	1,473,192
Total	\$480,000,308			

* London Interbank Offered Rate (LIBOR)

Year Ending December 31,	Total Principal Payments	Total Interest Payments*	Total Principal and Interest
2005	\$ 2,946,977	10,537,126	13,484,103
2006	3,097,936	15,576,369	18,674,305
2007	223,256,832	9,438,231	232,695,063
2008	3,423,718	9,200,587	12,624,305
2009	159,299,781	7,256,657	166,556,438
2010-2014	67,968,901	16,425,662	84,394,563
2015-2019	\$ 20,006,163	2,550,840	22,557,003

* Interest calculated using December 31, 2004 LIBOR for variable interest loans.

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	1/01/96	\$ 5,136,582	6,032,412	895,830	85.1	\$1,801,948	49.7%
	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
	1/01/03	10,848,586	11,764,353	915,767	92.2	2,926,449	31.3
	1/01/04	11,657,525	12,351,310	693,785	94.4	2,959,347	23.4
	12/31/04	12,233,337	13,237,071	1,003,734	92.4	3,084,317	32.5
Contributory Retirement System	1/01/96	\$ 852,034	992,374	140,340	85.9	\$ 261,685	53.6%
	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	1/01/03	899,290	976,918	77,628	92.1	142,325	54.5
	1/01/04	913,949	982,569	68,620	93.0	139,470	49.2
	12/31/04	913,074	1,011,508	98,434	90.3	139,362	70.6
Public Safety Retirement System	1/01/96	\$ 670,610	771,150	100,540	87.0	\$ 159,943	62.9%
	1/01/97	755,106	866,504	111,398	87.1	176,979	62.9
	1/01/98	867,151	952,100	84,949	91.1	195,464	43.5
	1/01/99	988,800	1,034,147	45,347	95.6	212,414	21.3
	1/01/00	1,146,331	1,105,166	(41,165)	103.7	226,057	(18.2)
	1/01/01	1,286,996	1,206,876	(80,120)	106.6	247,985	(32.3)
	1/01/02	1,376,466	1,366,134	(10,332)	100.8	260,783	(4.0)
	1/01/03	1,349,435	1,458,491	109,056	92.5	268,478	40.6
	1/01/04	1,448,888	1,556,758	107,870	93.1	278,402	38.7
	12/31/04	1,524,904	1,688,404	163,500	90.3	293,797	55.7

See accompanying notes to required supplementary information.

Utah Retirement Systems

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Schedules of Funding Progress (Continued)

(dollars in thousands)

System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded 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	1/01/96	\$293,816	333,432	39,616	88.1%	\$43,027	92.1%
	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	1/01/03	553,589	521,164	(32,425)	106.2	71,354	(45.4)
	1/01/04	589,502	549,378	(40,124)	107.3	75,619	(53.1)
	12/31/04	610,688	586,925	(23,763)	104.0	79,638	(29.8)
Judges Retirement System	1/01/96	\$ 44,304	55,952	11,648	79.2%	\$ 7,903	147.4%
	1/01/97	50,721	60,055	9,334	84.5	8,981	103.9
	1/01/98	59,373	62,406	3,033	95.1	9,286	32.7
	1/01/99	67,998	67,211	(787)	101.2	9,388	(8.4)
	1/01/00	78,130	68,134	(9,996)	114.7	10,104	(98.9)
	1/01/01	87,139	73,962	(13,177)	117.8	10,397	(126.7)
	1/01/02	92,649	85,987	(6,662)	107.7	10,927	(61.0)
	1/01/03	90,904	90,573	(331)	100.4	11,173	(3.0)
	1/01/04	97,412	97,902	490	99.5	10,888	4.5
	12/31/04	100,814	104,035	3,221	96.9	11,646	27.7
Governors and Legislative Pension Plan	1/01/96	\$ 8,185	6,853	(1,332)	119.4%	\$ 398	(334.7)%
	1/01/97	8,636	7,020	(1,616)	123.0	482	(335.3)
	1/01/98	9,318	6,998	(2,320)	133.2	468	(495.7)
	1/01/99	9,988	7,278	(2,710)	137.2	468	(579.1)
	1/01/00	10,946	8,253	(2,693)	132.6	468	(575.4)
	1/01/01	11,569	7,908	(3,661)	146.3	464	(789.0)
	1/01/02	11,710	8,182	(3,528)	143.1	556	(634.5)
	1/01/03	10,719	8,706	(2,013)	123.1	556	(362.1)
	1/01/04	10,905	8,812	(2,093)	123.8	556	(376.4)
	12/31/04	10,650	8,788	(1,862)	121.2	556	(334.9)

See accompanying notes to required supplementary information.

Utah Retirement Systems

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Schedules of Employer Contributions

(dollars in thousands)

System	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Noncontributory Retirement System	1995	\$ 220,955	100%
	1996	260,068	100
	1997	294,937	100
	1998	318,635	100
	1999	338,704	100
	2000	352,339	100
	2001	331,951	100
	2002	291,256	100
	2003	314,511	100
	2004	369,109	100
Contributory Retirement System	1995	\$ 17,723	100%
	1996	10,224	100
	1997	10,651	100
	1998	10,729	100
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100
	2003	7,297	100
	2004	9,564	100
Public Safety Retirement System	1995	\$ 24,732	100%
	1996	29,271	100
	1997	34,217	100
	1998	40,099	100
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100
2003	46,655	100	
2004	56,319	100	

System	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Firefighters Retirement System	1995	\$6,547	100%
	1996	6,335	100
	1997	7,388	100
	1998	6,937	100
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
	2002	9,454	100
	2003	9,059	100
	2004	8,659	100
Judges Retirement System	1995	\$2,352	100%
	1996	2,731	100
	1997	3,206	100
	1998	3,704	100
	1999	3,318	100
	2000	3,422	100
	2001	3,053	100
	2002	2,853	100
	2003	2,490	100
	2004	2,531	100
Governors and Legislative Pension Plan	1995	\$ 0	100%
	1996	0	100
	1997	0	100
	1998	0	100
	1999	0	100
	2000	0	100
	2001	0	100
	2002	0	100
2003	0	100	
2004	0	100	

See accompanying notes to required supplementary information.

Utah Retirement Systems

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2004



Note 1 — Schedules of Funding Progress

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 2004 and calendar year 2004 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. Investment income in excess or shortfall of the expected 8% return on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. The calculations for this smoothing process are disclosed in note 5 of the notes to the basic financial statements on page 58.

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 Legislative
Valuation date	1/1/04	1/1/04	1/1/04	1/1/04	1/1/04	1/1/04
Actuarial cost method	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
Amortization period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open 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	8%	8%	8%	8%	8%	8%
Projected salary increases	4.75-15.00%	4.75-15.00%	4.75-10.75%	4.75-11.75%	4.75%	None
Inflation rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Post retirement cost-of-living adjustment	3.00%	3.00%	2.50%	3.00%	3.00%	3.00%

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, 2004

With Comparative Totals for December 31, 2003

(in thousands)

	Local Government	State and School	Total All Divisions	
			2004	2003
Assets:				
Cash	\$ 1	141	142	176
Receivables:				
Employer contributions	2,333	21,339	23,672	20,328
Investments	45,202	226,002	271,204	322,375
Total receivables	47,535	247,341	294,876	342,703
Investments at fair value:				
Short-term securities, domestic	130,558	652,775	783,333	1,120,325
Short-term securities, international	9,154	45,771	54,925	131,980
Debt securities, domestic	380,743	1,903,667	2,284,410	1,797,846
Debt securities, international	116,675	583,360	700,035	625,802
Equity investments, domestic	863,938	4,319,587	5,183,525	4,292,825
Equity investments, international	447,139	2,235,641	2,682,780	2,094,825
Private equity	73,205	366,018	439,223	517,887
Real estate	221,684	1,108,392	1,330,076	940,089
Mortgage loans	882	4,411	5,293	5,273
Total investments	2,243,978	11,219,622	13,463,600	11,526,852
Invested securities lending collateral	306,180	1,530,863	1,837,043	1,191,653
Property and equipment at cost, net of accumulated depreciation	539	2,697	3,236	4,027
Total assets	2,598,233	13,000,664	15,598,897	13,065,411
Liabilities:				
Securities lending collateral liability	306,180	1,530,863	1,837,043	1,191,653
Disbursements in excess of cash balance	1,350	6,752	8,102	13,190
Compensated absences, post employment benefits and insurance reserve	1,363	6,813	8,176	44,472
Investment accounts payable	96,292	481,589	577,881	532,157
Real estate liabilities	63,595	317,970	381,565	3,799
Total liabilities	468,780	2,343,987	2,812,767	1,785,271
Net assets held in trust for pension benefits	\$2,129,453	10,656,677	12,786,130	11,280,140

Noncontributory Retirement System

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

Year Ended December 31, 2004

With Comparative Totals for Year Ended December 31, 2003

(in thousands)

	Local Government	State and School	Total All Divisions	
			2004	2003
Additions:				
Contributions:				
Member	\$ 2,629	11,748	14,377	11,517
Employer	70,010	299,099	369,109	314,511
Total contributions	72,639	310,847	383,486	326,028
Investment income:				
Net appreciation in fair value of investments	202,875	1,021,136	1,224,011	2,066,293
Interest, dividends and other investment income	59,094	297,284	356,378	276,331
Total investment income	261,969	1,318,420	1,580,389	2,342,624
Less investment expenses	5,434	27,350	32,784	27,047
Net investment income	256,535	1,291,070	1,547,605	2,315,577
Transfers from affiliated systems	4,644	5,939	10,583	—
Total additions	333,818	1,607,856	1,941,674	2,641,605
Deductions:				
Retirement benefits	51,888	308,931	360,819	327,972
Cost of living benefits	8,374	55,704	64,078	58,819
Refunds	551	2,478	3,029	3,310
Administrative expenses	1,247	6,511	7,758	8,124
Transfers to affiliated systems	—	—	—	37,006
Total deductions	62,060	373,624	435,684	435,231
Increase from operations	271,758	1,234,232	1,505,990	2,206,374
Net assets held in trust for pension benefits				
beginning of year	1,857,695	9,422,445	11,280,140	9,073,766
Net assets held in trust for pension benefits end of year	\$2,129,453	10,656,677	12,786,130	11,280,140

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	1/01/96	\$ 779,728	812,952	33,224	95.9%	\$ 324,541	10.2%
Local	1/01/97	930,817	987,043	56,226	94.3	394,828	14.2
Government	1/01/98	1,083,991	1,101,505	17,514	98.4	443,169	4.0
	1/01/99	1,252,949	1,217,362	(35,587)	102.9	478,195	(7.4)
	1/01/00	1,470,043	1,342,091	(127,952)	109.5	511,311	(25.0)
	1/01/01	1,660,838	1,515,951	(144,887)	109.6	555,112	(26.1)
	1/01/02	1,790,398	1,667,820	(122,578)	107.3	583,682	(21.0)
	1/01/03	1,766,403	1,842,886	76,483	95.8	617,784	12.4
	1/01/04	1,916,701	1,985,092	68,391	96.6	648,410	10.5
	12/31/04	2,035,691	2,156,510	120,819	94.4	680,620	17.8
Noncontributory	1/01/96	\$ 4,356,854	5,219,460	862,606	83.5%	\$ 1,477,407	58.4%
State and	1/01/97	5,038,996	5,930,915	891,919	85.0	1,660,051	53.7
School	1/01/98	5,838,592	6,552,830	714,238	89.1	1,757,819	40.6
	1/01/99	6,678,244	7,118,369	440,125	93.8	1,887,455	23.3
	1/01/00	7,767,404	7,664,217	(103,187)	101.3	1,987,776	(5.2)
	1/01/01	8,700,495	8,417,563	(282,932)	103.4	2,104,088	(13.4)
	1/01/02	9,313,936	9,138,204	(175,732)	101.9	2,248,378	(7.8)
	1/01/03	9,082,183	9,921,467	839,284	91.5	2,308,665	36.4
	1/01/04	9,740,824	10,366,218	625,394	94.0	2,310,937	27.1
	12/31/04	10,197,646	11,080,561	882,915	92.0	2,403,697	36.7
Total	1/01/96	\$ 5,136,582	6,032,412	895,830	85.1%	\$ 1,801,948	49.7%
Noncontributory	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
Retirement	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
System	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
	1/01/03	10,848,586	11,764,353	915,767	92.2	2,926,449	31.3
	1/01/04	11,657,525	12,351,310	693,785	94.4	2,959,347	23.4
	12/31/04	12,233,337	13,237,071	1,003,734	92.4	3,084,317	32.5

Noncontributory Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Noncontributory	1995	\$ 28,014	100%
Local	1996	37,215	100
Government	1997	46,053	100
	1998	50,947	100
	1999	55,110	100
	2000	58,626	100
	2001	54,274	100
	2002	52,143	100
	2003	60,097	100
	2004	70,010	100
Noncontributory	1995	\$192,941	100%
State and	1996	222,853	100
School	1997	248,884	100
	1998	267,688	100
	1999	283,594	100
	2000	293,713	100
	2001	277,677	100
	2002	239,113	100
	2003	254,414	100
	2004	299,099	100
Total	1995	\$220,955	100%
Noncontributory	1996	260,068	100
Retirement	1997	294,937	100
System	1998	318,635	100
	1999	338,704	100
	2000	352,339	100
	2001	331,951	100
	2002	291,256	100
	2003	314,511	100
	2004	369,109	100

Contributory Retirement System

Schedules of Fiduciary Net Assets— Pension Trust Fund by Division

December 31, 2004

With Comparative Totals for December 31, 2003

(in thousands)

	Local Government	State and School	Total All Divisions	
			2004	2003
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	70	269	339	414
Employer contributions	80	399	479	452
Investments	6,031	14,126	20,157	25,451
Total receivables	6,181	14,794	20,975	26,317
Investments at fair value:				
Short-term securities, domestic	17,420	40,802	58,222	88,447
Short-term securities, international	1,221	2,861	4,082	10,419
Debt securities, domestic	50,800	118,989	169,789	141,936
Debt securities, international	15,567	36,463	52,030	49,406
Equity investments, domestic	115,270	269,997	385,267	338,910
Equity investments, international	59,659	139,739	199,398	165,382
Private equity	9,767	22,878	32,645	40,886
Real estate	29,578	69,280	98,858	74,219
Mortgage loans	118	276	394	417
Total investments	299,400	701,285	1,000,685	910,022
Invested securities lending collateral	40,852	95,687	136,539	94,078
Property and equipment at cost, net of accumulated depreciation	72	169	241	318
Total assets	346,506	811,936	1,158,442	1,030,737
Liabilities:				
Securities lending collateral liability	40,852	95,687	136,539	94,078
Disbursements in excess of cash balance	180	422	602	1,042
Compensated absences, post employment benefits and insurance reserve	182	426	608	3,511
Investment accounts payable	12,847	30,093	42,940	41,998
Real estate liabilities	8,485	19,875	28,360	300
Total liabilities	62,546	146,503	209,049	140,929
Net assets held in trust for pension benefits	\$283,960	665,433	949,393	889,808

Contributory Retirement System

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

Year Ended December 31, 2004

With Comparative Totals for Year Ended December 31, 2003

(in thousands)

	Local Government	State and School	Total All Divisions	
			2004	2003
Additions:				
Contributions:				
Member	\$ 3,927	5,096	9,023	8,673
Employer	3,822	5,742	9,564	7,297
Total contributions	7,749	10,838	18,587	15,970
Investment income:				
Net appreciation in fair value of investments	27,372	65,467	92,839	166,279
Interest, dividends and other investment income	7,966	19,022	26,988	22,237
Total investment income	35,338	84,489	119,827	188,516
Less investment expenses	733	1,754	2,487	2,177
Net investment income	34,605	82,735	117,340	186,339
Transfers from affiliated systems	—	—	—	33,263
Total additions	42,354	93,573	135,927	235,572
Deductions:				
Retirement benefits	8,525	28,095	36,620	36,520
Cost of living benefits	3,547	15,494	19,041	19,719
Supplemental retirement benefits	172	1,159	1,331	1,624
Refunds	756	2,189	2,945	3,358
Administrative expenses	182	436	618	675
Transfers to affiliated systems	2,973	12,814	15,787	—
Total deductions	16,155	60,187	76,342	61,896
Increase from operations	26,199	33,386	59,585	173,676
Net assets held in trust for pension benefits beginning of year	257,761	632,047	889,808	716,132
Net assets held in trust for pension benefits end of year	\$283,960	665,433	949,393	889,808

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	1/01/96	\$215,418	254,449	39,031	84.7%	\$ 91,446	42.7%
Local	1/01/97	191,393	218,534	27,141	87.6	54,829	49.5
Government	1/01/98	207,641	226,233	18,592	91.8	52,444	35.5
	1/01/99	219,415	232,061	12,646	94.6	52,448	24.1
	1/01/00	236,830	239,601	2,771	98.8	53,388	5.2
	1/01/01	253,681	256,676	2,995	98.8	56,007	5.3
	1/01/02	260,569	266,365	5,796	97.8	56,444	10.3
	1/01/03	254,370	280,435	26,065	90.7	57,595	45.3
	1/01/04	263,839	289,001	25,162	91.3	57,965	43.4
	12/31/04	272,386	305,142	32,756	89.3	58,482	56.0
Contributory	1/01/96	\$636,616	737,925	101,309	86.3%	\$170,239	59.5%
State and	1/01/97	581,584	650,189	68,605	89.4	87,145	78.7
School	1/01/98	601,747	654,266	52,519	92.0	85,787	61.2
	1/01/99	620,800	659,922	39,122	94.1	84,594	46.2
	1/01/00	641,360	654,883	13,523	97.9	84,173	16.1
	1/01/01	670,892	679,123	8,231	98.8	85,060	9.7
	1/01/02	666,954	682,547	15,593	97.7	86,438	18.0
	1/01/03	644,920	696,483	51,563	92.6	84,730	60.9
	1/01/04	650,110	693,568	43,458	93.7	81,505	53.3
	12/31/04	640,688	706,366	65,678	90.7	80,880	81.2
Total	1/01/96	\$852,034	992,374	140,340	85.9%	\$261,685	53.6%
Contributory	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
Retirement	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
System	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	1/01/03	899,290	976,918	77,628	92.1	142,325	54.5
	1/01/04	913,949	982,569	68,620	93.0	139,470	49.2
	12/31/04	913,074	1,011,508	98,434	90.3	139,362	70.6

Contributory Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Local Government	1995	\$ 4,329	100%
	1996	3,009	100
	1997	3,332	100
	1998	3,393	100
	1999	3,530	100
	2000	3,524	100
	2001	2,926	100
	2002	2,441	100
	2003	2,881	100
	2004	3,822	100
Contributory State and School	1995	\$13,394	100%
	1996	7,215	100
	1997	7,319	100
	1998	7,336	100
	1999	7,310	100
	2000	6,960	100
	2001	5,554	100
	2002	4,294	100
	2003	4,416	100
	2004	5,742	100
Total Contributory Retirement System	1995	\$17,723	100%
	1996	10,224	100
	1997	10,651	100
	1998	10,729	100
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100
	2003	7,297	100
	2004	9,564	100

Public Safety Retirement System

Schedules of Fiduciary Net Assets— Pension Trust Fund by Division

December 31, 2004

With Comparative Totals for December 31, 2003

(in thousands)

	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Assets:			
Cash	\$ 2	2	2
Receivables:			
Member contributions	4	83	—
Employer contributions	835	952	—
Investments	12,297	13,870	3,153
Total receivables	13,136	14,905	3,153
Investments at fair value:			
Short-term securities, domestic	35,517	40,062	9,106
Short-term securities, international	2,490	2,809	639
Debt securities, domestic	103,578	116,830	26,557
Debt securities, international	31,740	35,802	8,138
Equity investments, domestic	235,027	265,098	60,259
Equity investments, international	121,640	137,204	31,188
Private equity	19,915	22,463	5,106
Real estate	60,307	68,023	15,462
Mortgage loans	240	271	62
Total investments	610,454	688,562	156,517
Invested securities lending collateral	83,294	93,951	21,356
Property and equipment at cost, net of accumulated depreciation	147	166	38
Total assets	707,033	797,586	181,066
Liabilities:			
Securities lending collateral liability	83,294	93,951	21,356
Disbursements in excess of cash balance	367	414	94
Compensated absences, post employment benefits and insurance reserve	371	418	95
Investment accounts payable	26,195	29,547	6,716
Real estate liabilities	17,301	19,514	4,436
Total liabilities	127,528	143,844	32,697
Net assets held in trust for pension benefits	\$579,505	653,742	148,369

Utah Retirement Systems

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2004	2003
2	1	2	2	2	15	15
—	—	9	—	7	103	159
44	—	10	—	98	1,939	1,831
891	562	322	275	2,460	33,830	40,144
935	562	341	275	2,565	35,872	42,134
2,575	1,622	930	795	7,106	97,713	139,513
181	114	65	56	498	6,852	16,435
7,508	4,731	2,711	2,318	20,723	284,956	223,881
2,301	1,450	831	710	6,351	87,323	77,929
17,037	10,734	6,151	5,260	47,023	646,589	534,576
8,818	5,556	3,183	2,722	24,337	334,648	260,864
1,444	910	521	446	3,985	54,790	64,492
4,372	2,754	1,578	1,350	12,066	165,912	117,068
17	11	6	5	48	660	656
44,253	27,882	15,976	13,662	122,137	1,679,443	1,435,414
6,038	3,804	2,180	1,864	16,665	229,152	148,395
11	7	4	3	29	405	502
51,239	32,256	18,503	15,806	141,398	1,944,887	1,626,460
6,038	3,804	2,180	1,864	16,665	229,152	148,395
27	17	10	8	73	1,010	1,642
27	17	10	8	74	1,020	5,538
1,899	1,197	685	586	5,241	72,066	66,244
1,254	790	453	387	3,461	47,596	474
9,245	5,825	3,338	2,853	25,514	350,844	222,293
41,994	26,431	15,165	12,953	115,884	1,594,043	1,404,167

Public Safety Retirement System

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

Year Ended December 31, 2004

With Comparative Totals for Year Ended December 31, 2003

(in thousands)

	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Additions:			
Contributions:			
Member	\$ 427	2,519	21
Employer	20,923	21,426	6,405
Total contributions	21,350	23,945	6,426
Investment income:			
Net appreciation in fair value of investments	55,402	62,489	14,340
Interest, dividends and other investment income	16,133	18,197	4,173
Total investment income	71,535	80,686	18,513
Less investment expenses	1,484	1,674	384
Net investment income	70,051	79,012	18,129
Transfers (to) from affiliated systems	3,945	(298)	13
Total additions	95,346	102,659	24,568
Deductions:			
Retirement benefits	21,412	20,468	7,459
Cost of living benefits	3,771	3,090	1,844
Supplemental retirement benefits	334	168	73
Refunds	133	491	68
Administrative expenses	355	379	111
Total deductions	26,005	24,596	9,555
Increase from operations	69,341	78,063	15,013
Net assets held in trust for pension benefits beginning of year	510,164	575,679	133,356
Net assets held in trust for pension benefits end of year	\$579,505	653,742	148,369

Utah Retirement Systems

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2004	2003
10	596	251	—	1,214	5,038	4,448
1,158	543	221	310	5,333	56,319	46,655
1,168	1,139	472	310	6,547	61,357	51,103
4,105	2,557	1,452	1,242	10,882	152,469	257,108
1,193	744	423	362	3,173	44,398	34,383
5,298	3,301	1,875	1,604	14,055	196,867	291,491
110	68	39	33	291	4,083	3,365
5,188	3,233	1,836	1,571	13,764	192,784	288,126
(444)	(305)	16	11	1,064	4,002	2,002
5,912	4,067	2,324	1,892	21,375	258,143	341,231
2,161	912	462	313	2,860	56,047	50,653
383	230	76	68	208	9,670	8,638
22	10	2	3	—	612	650
—	214	—	—	54	960	666
28	18	9	7	71	978	1,006
2,594	1,384	549	391	3,193	68,267	61,613
3,318	2,683	1,775	1,501	18,182	189,876	279,618
38,676	23,748	13,390	11,452	97,702	1,404,167	1,124,549
41,994	26,431	15,165	12,953	115,884	1,594,043	1,404,167

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	1/01/96	\$246,859	296,811	49,952	83.2%	\$ 57,193	87.3%
	1/01/97	278,328	334,751	56,423	83.1	64,857	87.0
	1/01/98	318,711	363,551	44,840	87.7	69,652	64.4
	1/01/99	363,057	391,061	28,004	92.8	74,094	37.8
	1/01/00	419,682	415,815	(3,867)	100.9	77,352	(5.0)
	1/01/01	470,153	452,131	(18,022)	104.0	83,674	(21.5)
	1/01/02	501,970	508,897	6,927	98.6	88,523	7.8
	1/01/03	491,499	536,944	45,445	91.5	90,782	50.1
	1/01/04	526,545	565,809	39,264	93.1	91,540	42.9
	12/31/04	554,342	612,944	58,602	90.4	97,654	60.0
Public Safety Other Division A (with Social Security)	1/01/96	\$272,119	272,849	730	99.7%	\$ 64,802	1.1%
	1/01/97	306,419	311,406	4,987	98.4	71,915	6.9
	1/01/98	352,448	344,437	(8,011)	102.3	79,944	(10.0)
	1/01/99	402,408	380,864	(21,544)	105.7	89,257	(24.1)
	1/01/00	467,856	407,837	(60,019)	114.7	97,056	(61.8)
	1/01/01	526,386	450,645	(75,741)	116.8	109,941	(68.9)
	1/01/02	564,325	518,791	(45,534)	108.8	115,482	(39.4)
	1/01/03	553,911	558,141	4,230	99.2	118,507	3.6
	1/01/04	594,020	603,281	9,261	98.5	125,617	7.4
	12/31/04	625,506	657,586	32,080	95.1	132,238	24.3
Public Safety Salt Lake City	1/01/96	\$ 72,889	114,732	41,843	63.5%	\$ 13,787	303.5%
	1/01/97	80,299	120,767	40,468	66.5	13,804	293.2
	1/01/98	90,670	130,903	40,233	69.3	16,069	250.4
	1/01/99	101,349	136,236	34,887	74.4	16,355	213.3
	1/01/00	115,568	143,223	27,655	80.7	17,224	160.6
	1/01/01	127,803	148,910	21,107	85.8	17,883	118.0
	1/01/02	135,031	158,626	23,595	85.1	18,579	127.0
	1/01/03	129,690	168,084	38,394	77.2	19,305	198.9
	1/01/04	138,148	176,136	37,988	78.4	20,380	186.4
	12/31/04	142,134	186,044	43,910	76.4	20,672	212.4
Public Safety Ogden	1/01/96	\$ 22,461	27,287	4,826	82.3%	\$ 3,442	140.2%
	1/01/97	24,767	30,598	5,831	80.9	3,629	160.7
	1/01/98	27,838	31,691	3,853	87.8	3,899	98.8
	1/01/99	31,038	34,191	3,153	90.8	4,126	76.4
	1/01/00	35,220	36,839	1,619	95.6	4,442	36.4
	1/01/01	38,652	38,128	(524)	101.4	4,513	(11.6)
	1/01/02	40,505	40,331	(174)	100.4	4,763	(3.7)
	1/01/03	38,568	42,649	4,081	90.4	5,059	80.7
	1/01/04	40,214	44,245	4,031	90.9	5,120	78.7
	12/31/04	40,288	46,449	6,161	86.7	5,167	119.2
Public Safety Provo	1/01/96	\$ 11,597	15,800	4,203	73.4%	\$ 2,750	152.8%
	1/01/97	12,955	17,344	4,389	74.7	3,160	138.9
	1/01/98	14,904	18,311	3,407	81.4	3,532	96.5
	1/01/99	16,906	20,036	3,130	84.4	3,740	83.7
	1/01/00	19,601	21,478	1,877	91.3	4,069	46.1
	1/01/01	22,045	23,608	1,563	93.4	4,446	35.2
	1/01/02	23,568	25,176	1,608	93.6	4,365	36.8
	1/01/03	22,875	26,434	3,559	86.5	4,512	78.9
	1/01/04	24,546	28,009	3,463	87.6	4,482	77.3
	12/31/04	25,302	29,411	4,109	86.0	4,402	93.3

Public Safety Retirement System

Schedules of Funding Progress by Division *(Continued)*

(dollars in thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Public Safety Logan	1/01/96	\$ 6,590	6,639	49	99.3%	\$ 1,354	3.6%
	1/01/97	7,352	7,749	397	94.9	1,500	26.5
	1/01/98	8,397	8,358	(39)	100.5	1,671	(2.3)
	1/01/99	9,542	9,066	(476)	105.3	1,800	(26.4)
	1/01/00	11,086	9,898	(1,188)	112.0	2,019	(58.8)
	1/01/01	12,462	11,221	(1,241)	111.1	2,131	(58.2)
	1/01/02	13,375	12,422	(953)	107.7	2,199	(43.3)
	1/01/03	13,099	13,685	586	95.7	2,312	25.3
	1/01/04	13,826	14,599	773	94.7	2,372	32.6
12/31/04	14,510	15,685	1,175	92.5	2,467	47.6	
Public Safety Bountiful	1/01/96	\$ 5,847	6,524	677	89.6%	\$ 1,100	61.5%
	1/01/97	6,500	7,607	1,107	85.4	1,167	94.9
	1/01/98	7,402	8,310	908	89.1	1,246	72.9
	1/01/99	8,157	8,959	802	91.0	1,327	60.4
	1/01/00	9,369	9,444	75	99.2	1,384	5.4
	1/01/01	10,439	10,101	(338)	103.3	1,442	(23.4)
	1/01/02	11,148	10,484	(664)	106.3	1,518	(43.7)
	1/01/03	10,958	11,170	212	98.1	1,601	13.2
	1/01/04	11,809	11,640	(169)	101.5	1,653	(10.2)
12/31/04	12,384	12,685	301	97.6	1,621	18.6	
Public Safety Other Division B (without Social Security)	1/01/96	\$ 32,248	30,508	(1,740)	105.7%	\$ 15,515	(11.2)%
	1/01/97	38,486	36,282	(2,204)	106.1	16,947	(13.0)
	1/01/98	46,781	46,539	(242)	100.5	19,451	(1.2)
	1/01/99	56,343	53,734	(2,609)	104.9	21,715	(12.0)
	1/01/00	67,949	60,632	(7,317)	112.1	22,511	(32.5)
	1/01/01	79,056	72,132	(6,924)	109.6	23,955	(28.9)
	1/01/02	86,544	91,407	4,863	94.7	25,354	19.2
	1/01/03	88,835	101,384	12,549	87.6	26,400	47.5
	1/01/04	99,780	113,039	13,259	88.3	27,238	48.7
12/31/04	110,438	127,600	17,162	86.6	29,576	58.0	
Total Public Safety Retirement System	1/01/96	\$ 670,610	771,150	100,540	87.0%	\$159,943	62.9%
	1/01/97	755,106	866,504	111,398	87.1	176,979	62.9
	1/01/98	867,151	952,100	84,949	91.1	195,464	43.5
	1/01/99	988,800	1,034,147	45,347	95.6	212,414	21.3
	1/01/00	1,146,331	1,105,166	(41,165)	103.7	226,057	(18.2)
	1/01/01	1,286,996	1,206,876	(80,120)	106.6	247,985	(32.3)
	1/01/02	1,376,466	1,366,134	(10,332)	100.8	260,783	(4.0)
	1/01/03	1,349,435	1,458,491	109,056	92.5	268,478	40.6
	1/01/04	1,448,888	1,556,758	107,870	93.1	278,402	38.7
12/31/04	1,524,904	1,688,404	163,500	90.3	293,797	55.7	

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 State of Utah	1995	\$10,670	100%
	1996	12,938	100
	1997	14,310	100
	1998	16,515	100
	1999	17,888	100
	2000	19,250	100
	2001	17,990	100
	2002	16,476	100
	2003	17,406	100
	2004	20,923	100
Public Safety Other Division A (with Social Security)	1995	\$ 7,101	100%
	1996	8,860	100
	1997	10,755	100
	1998	13,448	100
	1999	15,611	100
	2000	17,700	100
	2001	16,326	100
	2002	14,639	100
	2003	16,980	100
	2004	21,426	100
Public Safety Salt Lake City	1995	\$ 4,363	100%
	1996	4,359	100
	1997	5,222	100
	1998	5,482	100
	1999	5,986	100
	2000	6,286	100
	2001	6,052	100
	2002	5,633	100
	2003	6,182	100
	2004	6,405	100
Public Safety Ogden	1995	\$ 689	100%
	1996	792	100
	1997	899	100
	1998	1,003	100
	1999	1,133	100
	2000	1,122	100
	2001	1,070	100
	2002	976	100
	2003	986	100
	2004	1,158	100
Public Safety Provo	1995	\$ 303	100%
	1996	341	100
	1997	423	100
	1998	479	100
	1999	537	100
	2000	562	100
	2001	485	100
	2002	433	100
	2003	455	100
	2004	543	100

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

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Public Safety Logan	1995	\$ 82	100%
	1996	72	100
	1997	96	100
	1998	131	100
	1999	162	100
	2000	162	100
	2001	109	100
	2002	78	100
	2003	132	100
	2004	221	100
Public Safety Bountiful	1995	\$ 179	100%
	1996	203	100
	1997	230	100
	1998	277	100
	1999	320	100
	2000	340	100
	2001	320	100
	2002	291	100
	2003	298	100
	2004	310	100
Public Safety Other Division B (without Social Security)	1995	\$ 1,345	100%
	1996	1,706	100
	1997	2,282	100
	1998	2,764	100
	1999	3,473	100
	2000	3,931	100
	2001	3,761	100
	2002	3,738	100
	2003	4,216	100
	2004	5,333	100
Total Public Safety Retirement System	1995	\$24,732	100%
	1996	29,271	100
	1997	34,217	100
	1998	40,099	100
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100
	2003	46,655	100
	2004	56,319	100

Firefighters Retirement System

Schedules of Fiduciary Net Assets— Pension Trust Fund by Division

December 31, 2004

With Comparative Totals for December 31, 2003

(in thousands)

	Division A (with Social Security)	Division B (without Social Security)	Total All Divisions	
			2004	2003
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	28	119	147	205
Fire insurance tax	—	2,306	2,306	—
Investments	1,451	12,054	13,505	16,318
Total receivables	1,479	14,479	15,958	16,523
Investments at fair value:				
Short-term securities, domestic	4,192	34,815	39,007	56,709
Short-term securities, international	294	2,441	2,735	6,680
Debt securities, domestic	12,225	101,530	113,755	91,004
Debt securities, international	3,746	31,113	34,859	31,677
Equity investments, domestic	27,741	230,381	258,122	217,295
Equity investments, international	14,357	119,236	133,593	106,036
Private equity	2,351	19,521	21,872	26,214
Real estate	7,118	59,115	66,233	47,586
Mortgage loans	28	235	263	267
Total investments	72,052	598,387	670,439	583,468
Invested securities lending collateral	9,831	81,647	91,478	60,319
Property and equipment at cost, net of accumulated depreciation	17	144	161	204
Total assets	83,380	694,658	778,038	660,516
Liabilities:				
Securities lending collateral liability	9,831	81,647	91,478	60,319
Disbursements in excess of cash balance	43	360	403	667
Compensated absences, post employment benefits and insurance reserve	44	363	407	2,251
Investment accounts payable	3,092	25,678	28,770	26,927
Real estate liabilities	2,042	16,959	19,001	192
Total liabilities	15,052	125,007	140,059	90,356
Net assets held in trust for pension benefits	\$68,328	569,651	637,979	570,160

Firefighters Retirement System

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

Year Ended December 31, 2004

With Comparative Totals for Year Ended December 31, 2003

(in thousands)

	Division A	Division B	Total All Divisions	
	(with Social Security)	(without Social Security)	2004	2003
Additions:				
Contributions:				
Member	\$ 1,301	4,991	6,292	6,055
Fire insurance tax	1,687	6,972	8,659	9,059
Total contributions	2,988	11,963	14,951	15,114
Investment income:				
Net appreciation in fair value of investments	6,454	54,930	61,384	104,754
Interest, dividends and other investment income	1,881	15,981	17,862	14,009
Total investment income	8,335	70,911	79,246	118,763
Less investment expenses	173	1,471	1,644	1,371
Net investment income	8,162	69,440	77,602	117,392
Transfers (to) from affiliated systems	(173)	1,153	980	625
Total additions	10,977	82,556	93,533	133,131
Deductions:				
Retirement benefits	1,459	18,298	19,757	18,270
Cost of living benefits	264	4,587	4,851	4,552
Supplemental retirement benefits	37	618	655	698
Refunds	56	50	106	414
Administrative expenses	35	310	345	360
Total deductions	1,851	23,863	25,714	24,294
Increase from operations	9,126	58,693	67,819	108,837
Net assets held in trust for pension benefits beginning of year	59,202	510,958	570,160	461,323
Net assets held in trust for pension benefits end of year	\$68,328	569,651	637,979	570,160

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 AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Firefighters	1/01/96	\$ 31,807	28,026	(3,781)	113.5%	\$ 6,299	(60.0)%
Division A	1/01/97	36,473	32,138	(4,335)	113.5	7,032	(61.6)
(with Social Security)	1/01/98	42,528	37,464	(5,064)	113.5	7,968	(63.6)
	1/01/99	48,851	40,479	(8,372)	120.7	9,375	(89.3)
	1/01/00	56,976	42,464	(14,512)	134.2	10,944	(132.6)
	1/01/01	49,688	38,955	(10,733)	127.6	9,733	(110.3)
	1/01/02	54,345	46,108	(8,237)	117.9	12,070	(68.2)
	1/01/03	55,202	51,170	(4,032)	107.9	13,423	(30.0)
	1/01/04	60,889	56,399	(4,490)	108.0	14,524	(30.9)
	12/31/04	65,260	62,300	(2,960)	104.8	15,490	(19.1)
Firefighters	1/01/96	\$262,009	305,406	43,397	85.8%	\$36,728	118.2%
Division B	1/01/97	293,002	330,273	37,271	88.7	38,937	95.7
(without Social Security)	1/01/98	333,650	347,511	13,861	96.0	43,319	32.0
	1/01/99	374,554	367,224	(7,330)	102.0	44,951	(16.3)
	1/01/00	426,398	376,693	(49,705)	113.2	46,617	(106.6)
	1/01/01	486,815	416,501	(70,314)	116.9	53,541	(131.3)
	1/01/02	514,806	445,166	(69,640)	115.6	55,122	(126.3)
	1/01/03	498,387	469,994	(28,393)	106.0	57,931	(49.0)
	1/01/04	528,613	492,979	(35,634)	107.2	61,095	(58.3)
	12/31/04	545,428	524,625	(20,803)	104.0	64,148	(32.4)
Total	1/01/96	\$293,816	333,432	39,616	88.1%	\$43,027	92.1%
Firefighters	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
Retirement	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
System	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	1/01/03	553,589	521,164	(32,425)	106.2	71,354	(45.4)
	1/01/04	589,502	549,378	(40,124)	107.3	75,619	(53.1)
	12/31/04	610,688	586,925	(23,763)	104.0	79,638	(29.8)

Firefighters Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Firefighters Division A (with Social Security)	1995	\$ 697	100%
	1996	651	100
	1997	691	100
	1998	758	100
	1999	813	100
	2000	1,290	100
	2001	1,489	100
	2002	1,791	100
	2003	1,748	100
	2004	1,687	100
Firefighters Division B (without Social Security)	1995	\$ 5,850	100%
	1996	5,684	100
	1997	6,697	100
	1998	6,179	100
	1999	4,924	100
	2000	5,465	100
	2001	6,865	100
	2002	7,663	100
	2003	7,311	100
	2004	6,972	100
Total Firefighters Retirement System	1995	\$ 6,547	100%
	1996	6,335	100
	1997	7,388	100
	1998	6,937	100
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
	2002	9,454	100
	2003	9,059	100
2004	8,659	100	

All Retirement Systems**Schedules of Administrative and Investment Expenses**

Year Ended December 31, 2004

(in thousands)

	Defined Benefit Pension Plans	Investments	401(k) and 457 Plans	Total
Personal services:				
Salaries and wages	\$3,791	1,051	2,538	7,380
Employee benefits	1,427	406	1,135	2,968
Total personal services	5,218	1,457	3,673	10,348
Professional services:				
Audit	90	—	19	109
Actuarial services	218	—	—	218
General counsel	550	21	14	585
Banking services	56	—	183	239
Security handling expense	—	1,979	—	1,979
Investment advisor fees	—	37,514	2,125	39,639
Other consulting services	45	—	141	186
Total professional services	959	39,514	2,482	42,955
Communications:				
Telephone	462	21	37	520
Postage	455	—	194	649
Total communications	917	21	231	1,169
Rentals:				
Office space	877	84	143	1,104
Data processing equipment	82	—	—	82
Total rentals	959	84	143	1,186
Miscellaneous:				
Data processing	157	122	375	654
Travel	221	74	32	327
Contractual services	234	—	211	445
Supplies and maintenance	128	—	3	131
Insurance and bonding premiums	315	27	28	370
Subscription expense	8	—	2	10
Office supplies	145	—	19	164
Depreciation expense	505	—	—	505
Total miscellaneous	1,713	223	670	2,606
Total administrative expenses	\$9,766	41,299	7,199	58,264
Allocation of administrative expenses:				
Noncontributory Retirement System	\$7,758	—	—	7,758
Contributory Retirement System	618	—	—	618
Public Safety Retirement System	978	—	—	978
Firefighters Retirement System	345	—	—	345
Judges Retirement System	61	—	—	61
Governors and Legislative Pension Plan	6	—	—	6
401(k) Plan	—	—	4,577	4,577
457 Plan	—	—	497	497
Total administrative expenses	9,766	—	5,074	14,840
Investment administrative expense	—	3,785	—	3,785
Investment advisor fees:				
Investments	—	37,514	—	37,514
401(k) Plan	—	—	1,935	1,935
457 Plan	—	—	190	190
Total investment advisor fees	—	37,514	2,125	39,639
Total administrative expense allocations	\$9,766	41,299	7,199	58,264

INVESTMENT

S e c t i o n



91 Report on Investment Activity

92 Outline of Investment Policies and Investment Summary

93 Asset Allocation

94 Investment Results

95 List of Largest Assets Held

95 Schedules of Fees and Commissions

96 Investment Professionals

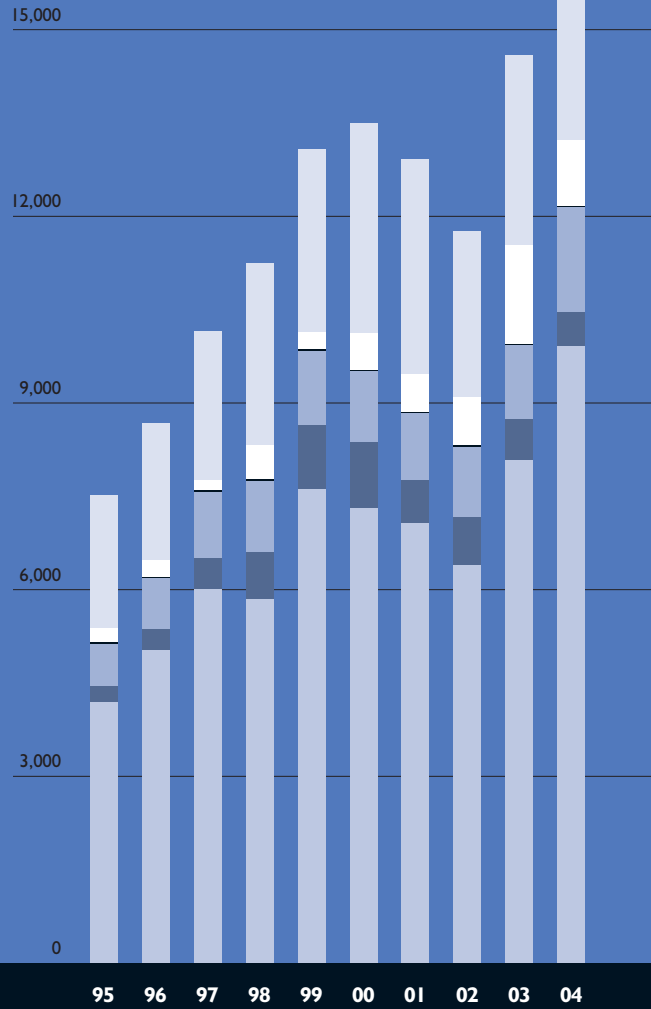
97 401(k) and 457 Plans

Utah Retirement Systems
(in millions)

\$18,000

All Retirement Systems
Ten Year Investment Comparison

TEN YEAR INVESTMENT
COMPARISON



(in millions)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
● Debt Securities	\$2,143	2,225	2,406	2,951	2,960	3,384	3,463	2,698	3,062	3,754
○ Short Term Securities	231	269	174	548	273	595	603	763	1,582	1,055
● Mortgages	11	4	4	4	4	3	3	4	7	7
● Real Estate	662	805	1,057	1,149	1,188	1,133	1,076	1,124	1,188	1,673
● Private Equity	271	344	494	738	1,018	1,050	678	762	654	553
● Equities	4,186	5,022	6,009	5,848	7,614	7,308	7,068	6,394	8,070	9,896
Totals	\$7,504	8,669	10,144	11,238	13,057	13,473	12,892	11,745	14,563	16,937

DEFINED BENEFIT INVESTMENTS

Report on Investment Activity

Although there were certainly some negative events that happened in 2004, it turned out to be a good year. Under the continued threat of an increase in inflation and oil prices hitting \$50 a barrel, the economy was still able to produce a 4.4% gain for the year. Inflation remained subdued only increasing 3.3%. The dollar continued to decline but not as much as

it did in 2003. Although we didn't get any additional boost from a tax stimulus like 2003 to keep consumer spending elevated, businesses began to play a more major role in the economic expansion. Payrolls rose 2.2 million for the year albeit about half a million jobs under expectations.

Business spending on equipment finally began to increase with the Institute for Supply Management (ISM) posting the nineteenth consecutive month in which the manufacturing sector of the U.S. economy grew. The markets, both domestic and international, posted good numbers in reaction to the economic expansion. The Standard & Poor's index gained 10.9% for the year. Large company stocks as measured by the Russell 1000 index grew 11.4%, and small company stocks did even better. The Russell 2000 index posted an 18.3% gain for the year. The developed international market out paced the domestic market. The Europe Australia/Asia Far East ("EAFE") index increased 20.3%. International emerging markets returned 26%. With a quick resolution to the U.S. presidential election, the fixed income markets also continued their gains from the previous year. The domestic fixed income market as measured by the Lehman Brothers Aggregate returned 4.3% and the global fixed income market as measured by the Lehman Brothers Global Aggregate returned 9.3%

The Utah Retirement Systems ("Systems") posted a solid 13.2% return for the year. The Systems' gain was helped by its exposure to

international equities, both developed and emerging, small cap stocks, and private equity. Active management strategies continued to add value net of fees. The Systems' five-year return number decreased to 5% as compared to the five year number a year ago of 5.2%. The chief cause for the decrease is the inclusion of year 2000 (the first year of the bear market) and the exclusion of 1999 (the last year of the bubble). As stated in my letter last year, we are more inclined to look at longer term numbers because we invest for the long run. Over the past ten years, the Systems' portfolio has returned 10.2% exceeding its actuarial goal of 8%.

During 2004, we made no changes to our asset allocation targets. We did implement a daily rebalancing policy and now securitize our frictional cash to more closely track our efficient frontier.

Looking to the future, many feel that it will be a very challenging investment environment with just about every asset class over valued to date. Certainly market returns are not always positive. We started this decade with very painful negative numbers. Yet I don't know of any period when there weren't challenges. By maintaining our long-term focus we will ride out the occasional storms that seem to threaten returns in the short run.



Bruce H. Cundick
Chief Investment Officer

Defined Benefit Investments

INVESTMENT HIGHLIGHTS *(Continued)*

Outline of Investment Policies

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

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

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

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

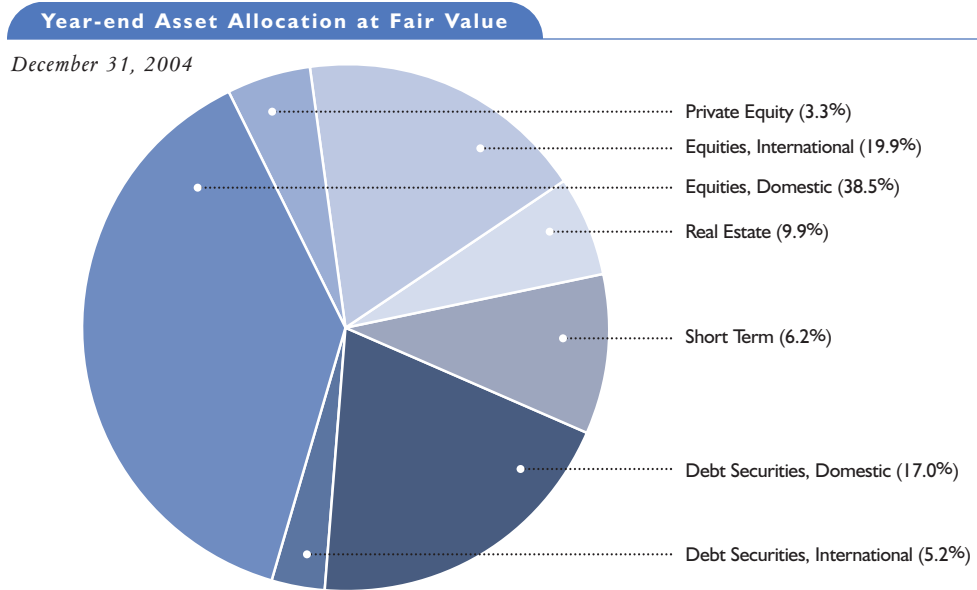
2004 Investment Summary

(dollars in thousands)

	2004 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2004 Ending Fair Value	Percent of Total Fair Value
Short-term securities, domestic	\$ 1,415,410	23,306,470	23,736,464	—	985,416	5.82%
Short-term securities, international	166,741	13,736,874	13,820,497	(14,023)	69,095	0.41
Debt securities, domestic	2,271,381	15,552,163	14,935,825	(13,985)	2,873,734	16.97
Debt securities, international	790,632	718,600	650,328	21,724	880,628	5.20
Equities, domestic	5,423,516	3,607,218	2,794,345	284,366	6,520,755	38.50
Equities, international	2,646,582	1,865,941	1,473,388	335,740	3,374,875	19.92
Private equity	654,294	92,092	168,368	(25,484)	552,534	3.26
Real estate	1,187,701	802,208	361,531	44,826	1,673,204	9.88
Mortgage loans	6,662	—	3	—	6,659	0.04
Totals	\$14,562,919	59,681,566	57,940,749	633,164	16,936,900	100.00%

Defined Benefit Investments

INVESTMENT HIGHLIGHTS *(Continued)*



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 Estate, and Private Equity. 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 act within the restrictions established by the investment guidelines put forth in the Statement of Investment Policy. 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 based on Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

	December 31,				
	2000	2001	2002	2003	2004
Debt securities, domestic	19.5%	21.0	17.3	15.7	17.0
Debt securities, international	5.7	5.9	5.7	5.4	5.2
Equities, domestic	38.5	40.9	37.5	37.2	38.5
Equities, international	15.7	13.9	16.9	18.2	19.9
Private equity	7.8	5.2	6.5	4.5	3.3
Real estate	8.4	8.4	9.6	8.2	9.9
Short-term securities	4.4	4.7	6.5	10.9	6.2
Total portfolio	100.0%	100.0	100.0	100.0	100.0

Defined Benefit Investments

INVESTMENT HIGHLIGHTS (Cont.)

Ten-Year Total Pension Investment Rates of Return

(dollars in millions)

	○ (1)	□ (2)	△ (3)	
Total Investment Portfolio Fair Value	Smoothed Expected Rate of Return	Fair Value Rate of Return	Actuarial Assumed Interest Rate	
1995	7,504	11.64	22.18	8.00
1996	8,669	11.73	15.11	8.00
1997	10,144	13.72	15.75	8.00
1998	11,238	12.64	9.61	8.00
1999	13,057	14.67	16.55	8.00
2000	13,474	11.23	1.86	8.00
2001	12,892	6.80	(4.99)	8.00
2002	11,745	(1.54)	(7.54)	8.00
2003	14,563	8.01	26.00	8.00
2004	16,937	5.32	13.24	8.00

- (1) **Smoothed Expected Rate of Return** consists of investment income in excess or shortfall of the expected 8% on fair value smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.
- (2) **Fair Value Rate of Return** consists of cash income plus gains and losses due to changes in fair value, whether realized or unrealized (before deduction of investment fees). (For 2004, 13.04 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.

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

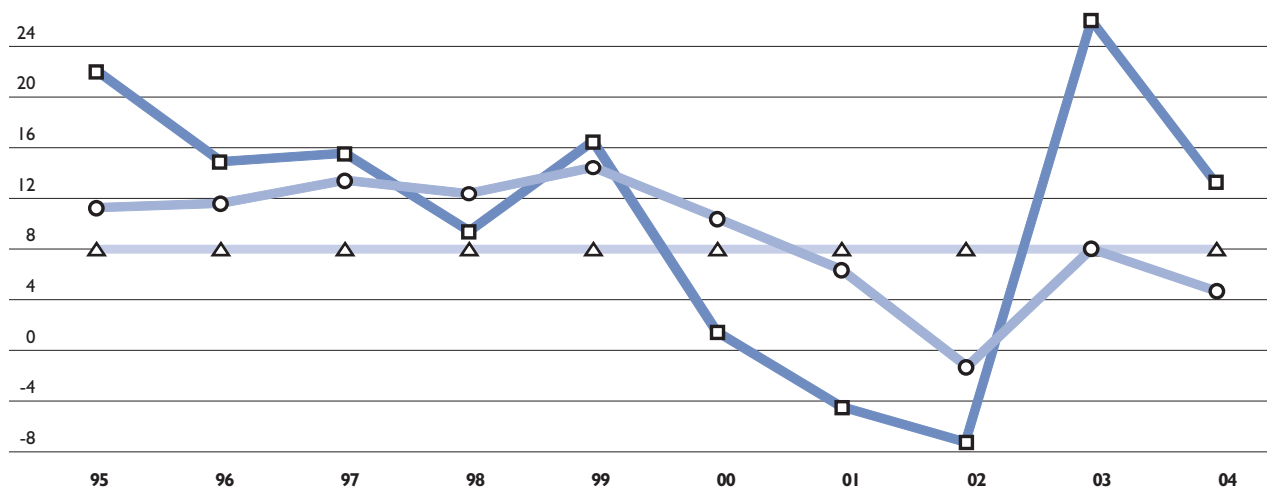
Year Ended December 31, 2004

Investment Category Comparative Index	1 Year	3 Years	5 Years
Domestic Equity	13.19%	8.20%	3.29%
Russell 3000 Index	11.95	4.80	-1.16
International Equity	20.56	15.24	0.36
80% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 10% Citigroup Extended Markets Index World ex-US	21.67	14.03	0.23
Domestic Debt Securities	5.21	5.54	6.98
Lehman Brothers Aggregate Index	4.34	6.20	7.71
International Global Debt Securities	10.66	15.27	8.96
Lehman Brothers Global Aggregate Index	9.27	12.73	8.47
Real Estate	10.55	8.16	8.78
90% NCREIF Real Estate Index, 10% NAREIT Index	16.23	11.35	11.11
Private Equity	24.97	5.51	4.00
85% Russell 3000 Index + 3.5%, 15% Russell 3000 Index + 2.0%	15.26	8.34	2.37
Short Term Investments	1.17	2.04	4.45
Treasury Bills	1.33	1.42	2.95
Utah Retirement Systems in Total	13.24	9.61	4.99
40% Russell 3000 Index, 20% Lehman Brothers Aggregate Index, 14% MSCI EAFE Index, 9% NCREIF Real Estate Index, 6% Russell 3000 Index + 3.5%, 5% Lehman Brothers Global Aggregate Index, 2% MSCI Emerging Market Index, 2% Citigroup Extended Markets World ex-us Index, 1% Russell 3000 Index + 2%, 1% NAREIT Index	12.70	8.04	2.82
Inflation	3.30	2.73	2.62

- (1) 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 in accordance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

Ten-Year Total Pension Investment Rates of Return

28% (in percents)



Defined Benefit Investments

INVESTMENT HIGHLIGHTS *(Continued)*

List of Largest Assets Held

December 31, 2004

Largest Equity Holdings

(By Fair Value)

Description	Shares	Fair Value
General Electric Co.	4,559,296	\$166,414,304
Exxon Mobil Corp.	2,699,623	138,382,675
Microsoft Corp.	4,053,704	108,274,434
Citigroup Inc.	2,084,323	100,422,682
Bank of America Corp.	1,743,464	81,925,373
Pfizer Inc.	3,018,195	81,159,264
Johnson & Johnson	1,159,320	73,524,074
International Business Machines Corp.	655,791	64,647,877
JP Morgan Chase & Co.	1,655,842	64,594,396
American International Group Inc.	878,012	57,659,048

Largest Debt Securities Holdings

(By Fair Value)

Description	Par Value	Fair Value
FNMA 30 Year Pass-Throughs 5.5% 30 Years Settles Jan Rating AAA	\$181,600,000	184,324,000
US Treasury Notes 3.375% Due 10/15/2009 Rating AAA	75,640,000	74,895,000
CF Western Asset Opportunistic Intl. Investment Grade Securities	57,789,000	60,032,741
FNMA 30 Yr Pass-Throughs 6% 30 Years Settles Jan Rating AAA	57,615,000	59,559,506
US Treasury Bonds 6.75% Due 08/15/2026 Rating AAA	46,816,000	58,395,657
US Treasury Notes Inflation Indexed 3.375% Due 01/15/2007 Rating AAA	44,988,000	57,398,056
US Treasury Notes DTD 00076 2.875% Due 11/30/2006 Rating AAA	56,650,000	56,472,969
US Treasury Notes DTD 00071 2.5% Due 10/31/2006 Rating AAA	53,330,000	52,832,111
GNMA 1 30 Yr Single Family Pass-Throughs (SF) 6% 30 Years Settles Jan Rating AAA	47,540,000	49,248,493
US Treasury Notes DTD 00013 2.875% Due 11/15/2007 BEO Rating AAA	48,870,000	48,568,374

Schedules of Fees and Commissions

Broker Commission Fees

Year Ended December 31, 2004

Broker	Total Commission Fees
Goldman Sachs & Company	\$ 44,409
Investment Technology Group (ITG)	526,675
Jefferies and Company	28,186
Morgan Stanley & Company	33,460
UBS/Warburg Securities	6,888
Morgan Guaranty	14,102
Lehman Brothers	5,542
Weeden & Co.	5,472
Total	\$664,734

Schedule of Investment Fees and Commissions

Year Ended December 31, 2004

Investment advisor fees:	
Equity securities, domestic	\$9,446,785
Equity securities, international	14,528,150
Debt securities, domestic	3,017,438
Debt securities, international	1,861,829
Private equity	7,242,625
Real Estate	1,417,529
Total investment advisor fees	37,514,356
Investment brokerage fees	664,734
Total fees and commissions	\$38,179,090

Defined Benefit Investments

Investment Professionals

Investment Advisors

Defined Benefit Plan — Equities

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

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

Alliance Capital Management
1345 Avenue of the Americas
New York, NY 10105

Arnhold & S. Bleichroeder
Advisors, Inc.
1345 Avenue of the Americas
New York, NY 10105

Bay Isle Financial Corporation
475 14th Street, Suite 550
Oakland, CA 94612

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

CS First Boston
11 Madison Avenue
New York, NY 10010

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

Goldman Sachs Asset Management
32 Old Slip
New York, NY 10005

Invesco Global (N.A.), Inc.
1360 Peachtree Street
Suite 100
Atlanta, GA 30309

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

Lord Abbett
90 Hudson Street
Jersey City, NJ 07302

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

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

Pathway Capital Management, LLC
5 Park Plaza, Suite 300
Irvine, CA 92614

Putnam Investments
1 Post Office Square
Boston, MA 02109

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

State Street Global Advisors
State Street Financial Center
One Lincoln Street
Boston, MA 02111

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

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

Defined Benefit Plan — Debt Securities

Banc One Investment Advisors
1 Bank One Plaza
Mail Suite IL1-0601
Chicago, IL 60670-0601

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

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

Western Asset Management Co.
385 East Colorado Blvd.
Suite 1000
Pasadena, CA 91101

Defined Benefit Plan — Real Estate

BNA Realty Advisors
Barlow Nielsen Associates
358 South Rio Grande, Suite 250
Salt Lake City, UT 84101

CB Richard Ellis
865 South Figueroa Street
Suite 3500
Los Angeles, CA 90071

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

CS First Boston
11 Madison Avenue
New York, NY 10010

Goldman, Sachs & Company
85 Broad Street
New York, NY 10004

Hancock Timber Resources Group
99 High Street
Boston, MA 02110

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

OPUS Group, LLC
P.O. Box 59110
Minneapolis, MN 55459

Henderson Global Investors
One Financial Plaza
Hartford, CT 06103

Security Capital European Realty
Batchworth House
Batchworth Place Church Street
Rickmansworth, Hertfordshire
WD31JE, England

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

Utah Retirement Systems Consultants

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

Frank Russell Securities, Inc.
909 A Street
Tacoma, WA 98402

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

401(k) AND 457 INVESTMENTS



Investment Highlights

Introduction

Utah Retirement Systems' 401(k) and 457 Plans are tax-deferred retirement savings programs authorized under sections 401(k) and 457 of the Internal Revenue Code. These plans are available to employees of the state, local government and public education employers throughout Utah whose employers have adopted the plans.

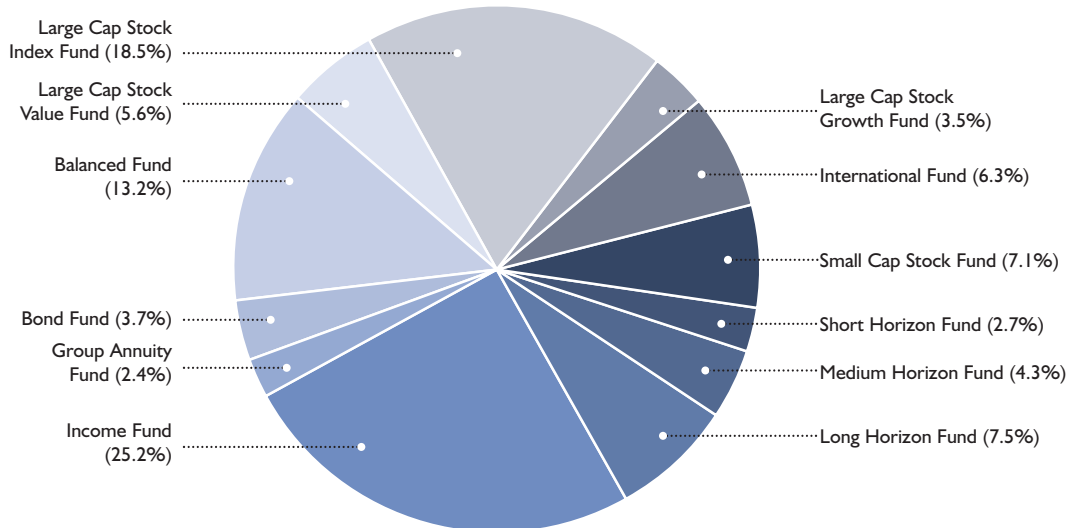
The participants of the plans have a choice of eleven investment funds in which their monies may be invested. Each participant may choose one or a combination of these funds. In addition, there is a Group Annuity Fund that is closed to contributions, but where current balances still exist. The table to the right shows the total investments in the various investment options. The asset graph below shows the asset distribution at December 31, 2004.

401(k) and 457 Plan Investments

Investment Options	Total
<i>(in thousands)</i>	
Income Fund	\$ 519,814
Bond Fund	77,432
Balanced Fund	273,183
Large Cap Stock Value Fund	114,911
Large Cap Stock Index Fund	382,160
Large Cap Stock Growth Fund	72,438
International Fund	129,599
Small Cap Stock Fund	146,526
Short Horizon Fund	55,734
Medium Horizon Fund	88,788
Long Horizon Fund	154,860
Group Annuity Fund <i>(closed to contributions)</i>	50,233
Total	\$2,065,678

401(k) and 457 Investments

December 31, 2004



401(k) and 457 Investments

INVESTMENT HIGHLIGHTS *(Continued)*

2004 Investment Summary and Investment and Administrative Fees									
<i>(dollars in thousands)</i>									
Fund	2004 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2004 Ending Fair Value	Percent of Total Fair Value	Invest- ment Fees	Admin- istrative Fees	Total Fees
Income Fund	\$488,856	109,356	92,943	14,545	519,814	25.17%	0.14%	0.27%	0.41%
Bond Fund	84,157	20,195	27,767	847	77,432	3.75	0.37	0.27	0.64
Balanced Fund	246,454	15,581	10,699	21,847	273,183	13.22	0.38	0.27	0.65
Large Cap Stock Value Fund	60,670	55,376	14,689	13,554	114,911	5.56	0.44	0.27	0.71
Large Cap Stock Index Fund	355,811	21,959	28,130	32,520	382,160	18.50	0.03	0.27	0.30
Large Cap Stock Growth Fund	65,067	22,155	18,689	3,905	72,438	3.51	0.34	0.27	0.61
International Fund	107,676	83,565	71,957	10,315	129,599	6.27	0.35	0.27	0.62
Small Cap Stock Fund	118,636	67,023	52,116	12,983	146,526	7.09	0.41	0.27	0.68
Short Horizon Fund	48,532	16,880	10,924	1,246	55,734	2.70	0.29	0.27	0.56
Medium Horizon Fund	69,584	20,989	7,346	5,561	88,788	4.30	0.32	0.27	0.59
Long Horizon Fund	119,369	28,811	7,102	13,782	154,860	7.50	0.29	0.27	0.56
Group Annuity Fund <i>(closed to contributions)</i>	53,728	—	4,088	593	50,233	2.43	1.13	0.27	1.40
Totals	\$1,818,540	461,890	346,450	131,698	2,065,678	100.00%			

Investment and Administrative Expenses

There are no front-end load, redemption, or other hidden fees associated with these plans; although Beneficial Life Insurance Company may impose a penalty on transfers from the Group Annuity Fund. All costs reflected in the table above are deducted from earnings prior to posting to participant accounts and do not appear as separate items on participant statements.

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 table above 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) and 457 plan balances of less than \$5,000.

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.

401(k) and 457 Investments

INVESTMENT HIGHLIGHTS *(Continued)*

401(k) and 457 Plans Comparative Annualized Rates of Return

Year Ended December 31, 2004

Investment Option Comparative Index	1 Year	3 Year	5 Year	10 Year
Income Fund	3.44%	4.25%	5.12%	5.77%
Treasury Bills Index	1.33	1.42	2.95	4.11
Bond Fund	3.45	6.53	8.03	NA*
Lehman Aggregate Bond Index	4.33	6.19	7.71	7.72
Balanced Fund	9.87	6.00	4.48	9.86
Balanced Index (1)	8.35	5.18	2.15	10.80
Large Cap Stock Value Fund	18.98	11.96	NA*	NA*
Russell 1000 Value Index	16.49	8.57	5.27	13.83
Large Cap Stock Index Fund	10.48	3.34	-2.60	11.60
S&P 500 Index	10.88	3.59	-2.30	12.07
Large Cap Stock Growth Fund	7.42	-2.86	-10.90	NA*
Russell 1000 Growth Index	6.30	-0.18	-9.29	9.59
International Fund	14.26	9.49	-2.53	10.53
MSCI EAFE Index	20.25	11.89	-1.14	5.62
Small Cap Stock Fund	17.57	12.88	10.68	NA*
Russell 2000 Index	18.33	11.48	6.61	11.54
Short Horizon Fund	4.87	6.15	4.89	NA*
Short Horizon Index (2)	5.21	5.55	5.12	7.92
Medium Horizon Fund	8.88	6.77	2.77	NA*
Medium Horizon Index (3)	9.77	7.03	3.31	9.06
Long Horizon Fund	11.43	7.12	1.15	NA*
Long Horizon Index (4)	12.68	7.42	1.50	9.58
Group Annuity Fund (5)	4.71	5.16	5.54	5.84
Treasury Bill Index	1.33	1.42	2.95	4.11

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 in accordance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

Comparative indexes below reflect current asset allocation targets.

- (1) *Balanced Index*: 60% S&P 500 Index, 40% Lehman Brothers Aggregate Bond Index
- (2) *Short Horizon Index*: 20% Treasury Bills, 65% LB Aggregate Bond, 10% S&P 500, 5% MSCI EAFE
- (3) *Medium Horizon Index*: 45% LB Aggregate Bond, 35% S&P 500, 15% MSCI EAFE, 5% Russell 2000
- (4) *Long Horizon Index*: 20% LB Aggregate Bond, 45% S&P 500, 25% MSCI EAFE, 10% Russell 2000
- (5) *The Group Annuity Fund* is closed to future contributions. Returns prior to 1998 represent performance of the 401(k) Group Annuity Fund.
- *This fund has existed less than the number of years indicated.

Investment Professionals

401(k) and 457 Plans Investment Professionals

American Express Trust Co.
50900 AXP Financial Center
Minneapolis, MN 55474
(Income Fund)

Beneficial Life Insurance Co.
Beneficial Life Tower
36 South State Street
Salt Lake City, UT 84136
(Group Annuity Fund)

Capital Guardian Trust Co.
333 South Hope Street
Los Angeles, CA 90071
(International Fund)

Dimensional Fund
Advisors, Inc.
1299 Ocean Avenue
Santa Monica, CA 90401
(Small Cap Stock Fund)

Dodge & Cox
555 California Street/
40th Floor
San Francisco, CA 94104
(Bond Fund, Large Cap Stock Value Fund, Balanced Fund)

Alliance Capital
Management L.P.
1345 Avenue of the Americas
New York, NY 10105
(Balanced Fund, Large Cap Stock Growth Fund)

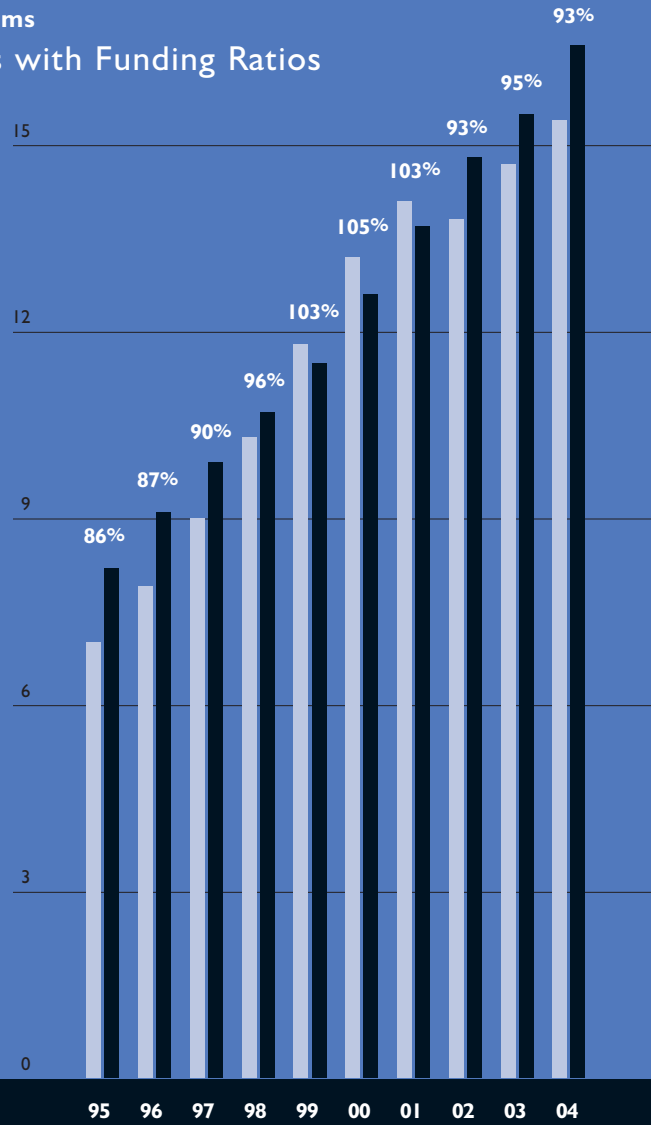
Utah Retirement Systems
540 East 200 South
Salt Lake City, UT 84102
(Large Cap Stock Index Fund)

Utah Retirement Systems
(dollars in billions)

\$18

All Retirement Systems
Funding Progress with Funding Ratios

FUNDING PROGRESS
with FUNDING RATIOS



(dollars in billions)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
● Actuarial Value of Assets	\$ 7.0	7.9	9.0	10.3	11.8	13.2	14.1	13.8	14.7	15.4
● Accrued Actuarial Liability	8.2	9.1	9.9	10.7	11.5	12.6	13.7	14.8	15.5	16.6
Funding Ratios	86%	87%	90%	96%	103%	105%	103%	93%	95%	93%

ACTUARIAL

S e c t i o n



102	Actuary's Certification Letter
104	Summary of Actuarial Assumptions and Methods
108	Analysis of Financial Experience
108	Member and Employer Contribution Rates
110	Solvency Tests
112	Schedules of Active Member Valuation Data
113	Schedules of Retirants and Beneficiaries
114	Summaries of Plan Provisions
121	Changes in Plan Provisions
122	Summary of 401(k) and 457 Plans

ACTUARY'S CERTIFICATION LETTER



GABRIEL, ROEDER, SMITH & COMPANY

5605 N. MacArthur Blvd. • Suite 870 • Irving, Texas 75038-2631 • 469-524-0000 • fax 469-524-0003

August 12, 2004

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

Dear Members of the Board

Subject: Certification of 2004 Actuarial Valuation

This 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. Valuations are prepared annually, as of January 1, the first day of the URS plan year.

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. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. I.e., the rates determined by this January 1, 2004 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2005 and ending June 30, 2006. 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 have been:

- To set rates so that the unfunded actuarial accrued liability (UAAL) will be amortized over a 20-year 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 twenty years in installments which increase at the assumed rate of growth in payroll for URS. The current assumed rate of growth in payroll for URS is 4.00%.

The Board uses an open 20-year amortization period. In other words, a 20-year amortization period is used in each valuation, rather than having the period decrease to 19, 18, etc.

Under this policy, the objective of maintaining relatively level contribution rates over time is achieved in normal conditions such as consistent market conditions.

In 2004, the Utah Legislature approved an act that 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 object of this legislation is to enhance the Board's ability to maintain more-level contribution rates while targeting a 100%-110% funded level.

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 100%. Because of the investment losses recognized in the actuarial value of assets, the funded ratio for all but one of the funds in URS decreased since the last valuation. The exception was the fund for the 3% substantial substitute.

For all systems combined, the funded ratio decreased from 92.8% to 94.7%. Most of the individual funds have

ratios over 90%, and only the 3% Substantial Substitute Fund and the Salt Lake City Noncontributory Public Safety Fund have funded ratios less than 85%. It should be pointed out that the funded ratio for all systems combined was 76.9% in 1990. Significant progress has been made over the last fourteen years, even though a number of benefit increases have been granted during that time, and even though the 3% substantial substitute was added as a URS liability. If market value had been used in the calculation instead of actuarial value, the aggregate funded ratio for all funds combined would have been 91.7% (compared to 77.3% in the prior year).

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2004, or which were adopted by the end of the 2004 legislative session and are effective on or before July 1, 2004.

Two significant pieces of legislation were enacted during the 2004 legislative session. The first item created special rules for determining the contribution rate for over funded plans. This legislation was described previously.

The second piece of legislation established a special fund (under General Fund) for making COLA payments to Public Safety retirees in excess of the 2.5% maximum. If sufficient funds exist and the CPI is equal to or greater than 2.5% then COLA payments of up to 4.0% may be paid to the Public Safety retirees. The first 2.5% would come from the normal financing arrangements of the plan. Any payments in excess of 2.5% would be paid from the newly established fund.

Assumptions and methods

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. In connection with the valuations in even-numbered years, the actuary conducts a thorough review of plan experience for the preceding five years, and then makes recommendations to the Board. The next experience study will be performed in connection with the 2005 valuation.

The current actuarial assumptions and methods are the same as used for the prior valuation. These assumptions and methods were adopted effective January 1, 2002.

It is our opinion that the recommended assumptions are internally consistent and are reasonably based on past and anticipated future experience of the System. We believe that the assumptions meet the parameters for financial statement disclosure established by Governmental Accounting Standards Board Statement No. 25 (GASB 25).

Data

Member data for retired, active and inactive members was supplied as of December 31, 2003 by the URS staff. 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. The staff also supplied asset information as of December 31, 2003.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2004. 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 Carter and Mr. Conradi are Enrolled Actuaries and Members of the American Academy of Actuaries, and all three are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



Lewis Ward
Consultant



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



W. Michael Carter, FSA, EA, MAAA
Senior Consultant

GABRIEL, ROEDER, SMITH & COMPANY

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

As of January 1, 2004

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 20-year period from the valuation date (January 1, 2004).

In calculating this minimum, amortization payments are designed to remain level as a percent of payroll, and payroll is assumed to increase 4% per year. Under this method, actuarial gains and losses are identified and amortized as part of the unfunded actuarial accrued liability over a 20-year period.

b) The future investment earnings of the assets of the Systems are assumed to accrue at an annual rate of 8.0%, compounded annually. This rate is made up of a 3.0% assumed inflation rate and a 5.0% assumed real rate of return. This assumption was adopted January 1, 2000.

c) The total rates of assumed annual salary increase are shown on the actuarial schedule on page 107. The rates include increases due to promotion and longevity and a 4.75% per annum rate of increase in the general wage level of the membership. Salaries of judges are assumed to increase at 4.75%. These assumptions were adopted January 1, 2003. (Rates for public safety members were adopted January 1, 2004.)

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%. All other Systems’ annual increases are assumed to be 3.0%. Increases are based on the member’s original retirement allowance except in the Judges Retirement System, where increases are compounded.

e) Tables of mortality rates for members retired for service and beneficiaries were developed from standard mortality tables. The mortality basis is dependent upon the member’s class and gender as shown below. These rates were adopted January 1, 2004. Mortality rates for active members were developed from actual experience of that group.

f) Mortality among disabled members is based on a special 1981 Disability Table developed by a previous actuary from the Systems’ experience. Rates for

males are based on a 2-year set forward and rates for females are based on a 2-year setback. These rates were modified January 1, 2004.

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. The rates vary by age and service groupings.

Rates of assumed termination from employment at any age are assumed to vary during the first five years of employment. The rates of termination illustrated are for members in their first or in their sixth or subsequent year of service; rates at intermediate points fall between the two sets illustrated. 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 adopted by the Retirement Board in 2004, as recommended by the actuary.

Retired Member Mortality	
Class of Member	
Educators	
Men	UP94M (-4)
Women	UP94F (2)
Public Safety and Firefighters	
Men	UP94M (0)
Women	UP94F (0)
Local Government, Public Employees and All Beneficiaries	
Men	UP94M (-2)
Women	UP94F (0)
UP94M (xx) = 1994 Unisex Pensioners Mortality Table for Males adjusted xx years.	
UP94F (xx) = 1994 Unisex Pensioners Mortality Table for Females adjusted xx years.	

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2004

	Percent Retiring Within Next Year Among Active Members							
	Retirement Age	Eligible for Retirement						Governors and Legislative Pension Plan
		Male			Female			
		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	55	30.00%	20.00%	30.00%	35.00%	30.00%	40.00%	0.00%
<i>Adopted January 1, 2000</i>	56	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	57	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	58	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	59	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	60	60.00	50.00	50.00	50.00	60.00	50.00	0.00
	61	40.00	35.00	40.00	50.00	40.00	40.00	0.00
	62	70.00	60.00	65.00	70.00	60.00	60.00	100.00
	63	49.00	30.00	50.00	50.00	40.00	40.00	100.00
	64	56.00	30.00	50.00	50.00	40.00	40.00	100.00
	65	75.00	70.00	80.00	75.00	75.00	70.00	100.00
	66	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	67	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	68	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	69	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	70	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	
Public Safety Retirement System	45	14.00%	52	14.00%	59	33.00%
<i>Adopted January 1, 2000</i>	46	14.00	53	14.00	60	50.00
	47	14.00	54	14.00	61	50.00
	48	14.00	55	33.00	62	50.00
	49	14.00	56	33.00	63	50.00
	50	14.00	57	33.00	64	50.00
	51	14.00	58	33.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
	Retirement Age		Retirement Age		Retirement Age	
Firefighters Retirement System	45	6.00%	52	35.00%	59	75.00%
<i>Adopted January 1, 2000</i>	46	6.00	53	35.00	60	75.00
	47	6.00	54	35.00	61	75.00
	48	6.00	55	75.00	62	75.00
	49	6.00	56	75.00	63	75.00
	50	35.00	57	75.00	64	75.00
	51	35.00	58	75.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
	Retirement Age		Retirement Age		Retirement Age	
Judges Retirement System	60	5.00%	64	30.00%	68	50.00%
<i>Adopted January 1, 1990</i>	61	5.00	65	50.00	69	50.00
	62	10.00	66	50.00	70	100.00
	63	20.00	67	50.00		

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2004

Other Termination of Employment Percent of Active Members Separating Within Next Year

	Retirement Age	Other Termination of Employment Percent of Active Members Separating Within Next Year						Governors and Legislative Pension Plan
		Male			Female			
		State and School Division		Local Government Division	State and School Division		Local Government Division	
		Educators	Public Employees	Government Division	Educators	Public Employees	Government Division	
During the First Year of Service								
Noncontributory and Contributory Retirement Systems <i>Adopted January 1, 2000</i>	25	14.98%	35.36%	18.84%	22.57%	30.44%	27.66%	10.00%
	30	12.68	29.03	15.88	15.87	27.40	25.72	10.00
	35	11.95	25.25	13.73	12.28	24.11	23.52	10.00
	40	11.30	22.79	12.35	11.87	20.88	21.25	10.00
	45	11.52	20.67	11.84	11.35	18.08	19.22	10.00
	50	13.43	18.41	12.28	10.24	16.10	17.99	10.00
	55	17.64	15.90	13.83	8.34	15.24	18.25	10.00
60	18.53	13.22	14.52	8.77	15.79	20.66	10.00	
During the Sixth and Subsequent Years of Service								
Noncontributory and Contributory Retirement Systems <i>Adopted January 1, 2000</i>	25	6.29%	11.85%	8.15%	13.04%	18.70%	13.16%	10.00%
	30	4.30	8.32	6.05	8.38	11.87	8.95	10.00
	35	2.90	5.78	4.63	5.21	7.56	6.18	10.00
	40	2.08	4.10	3.81	3.47	5.26	4.73	10.00
	45	1.62	3.04	3.34	2.74	4.05	4.22	10.00
	50	1.25	2.43	3.11	2.45	3.43	4.21	10.00
	55	0.93	2.42	3.36	2.43	3.34	4.32	10.00
60	0.98	3.24	3.52	2.55	3.75	4.43	10.00	
Public Safety Retirement System <i>Adopted January 1, 2000</i>								
	Age	During the First Year		During the Sixth and Subsequent Years				
	25	9.56%		6.16%				
	30	9.12		4.17				
	35	10.02		2.74				
	40	12.18		1.82				
	45	15.42		1.35				
	50	19.61		1.15				
	55	24.57		1.14				
	60	30.22		1.25				
Firefighters Retirement System <i>Adopted January 1, 1996</i>								
	Age	During the First Year		During the Sixth and Subsequent Years				
	25	12.43%		1.50%				
	30	9.98		1.40				
	35	7.52		1.30				
	40	5.21		0.70				
	45	7.22		0.49				
	50	11.01		0.27				
	55	16.84		0.09				
	60	24.71		0.13				
Judges Retirement System								
		None assumed.						

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2003

	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	0	15.00%	10.75%	11.75%	10.75%	11.75%
<i>Adopted January 1, 2002</i>	1	10.75	9.25	9.25	7.75	10.50
<i>(Public Safety adopted</i>	2	9.25	8.25	8.25	7.50	9.75
<i>January 1, 2003)</i>	3	9.00	7.75	7.25	7.25	9.25
	4	8.75	7.25	7.00	7.00	8.75
	5	8.50	7.00	6.75	6.75	8.50
	6	8.00	6.50	6.75	6.75	8.25
	7	7.75	6.25	6.50	6.50	8.25
	8	7.50	6.25	6.50	6.50	8.00
	9	7.25	6.00	6.25	6.25	8.00
	10	6.75	6.00	6.00	6.25	7.75
	11	6.50	5.75	5.75	6.00	7.75
	12	6.00	5.50	5.50	5.75	6.75
	13	5.50	5.50	5.25	5.50	5.75
	14	5.00	5.25	5.25	5.25	5.25
	15	4.75	4.75	4.75	4.75	4.75

	Age	Probability Mortality Within the Next Year for Active Members			
		Male		Female	
		Educators	Local Government and Public Employees	Educators	Local Government and Public Employees
Noncontributory and Contributory Retirement Systems	20	0.0150%	0.0585%	0.0420%	0.0325%
<i>Adopted January 1, 2000</i>	25	0.0150	0.0045	0.0180	0.0325
	30	0.0225	0.0520	0.0060	0.0325
	35	0.0225	0.0780	0.0180	0.0390
	40	0.0450	0.0975	0.0360	0.0520
	45	0.0750	0.1235	0.0720	0.0780
	50	0.1500	0.1820	0.1080	0.1235
	55	0.2700	0.3055	0.1500	0.1820
	60	0.4275	0.4940	0.2040	0.2600
	65	0.5400	0.7540	0.2820	0.3575
	70	0.6000	1.0790	0.3900	0.4745

	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				Percent Electing a Refund of Contributions Upon Termination While Vested	
	Public Safety and Firefighters Employees		Public Safety and Firefighters Retirement Employees		Years of Service	Public Safety and Firefighters Retirement Employees
	Age	Age	Age	Age		
Public Safety Retirement System and Firefighters Retirement System	20	0.0520%	50	0.2080%	0-3	100%
<i>Adopted January 1, 2000</i>	25	0.0520	55	0.3250	4	76
	30	0.0520	60	0.4420	5	74
	35	0.0520	65	0.5590	10	57
	40	0.0715	70	0.6695	15	35
	45	0.1235			19	15
					20	0

Analysis of Financial Experience

As of December 31
(in thousands)

System	January 1, 2003							January 1, 2004
	Unfunded Actuarial Accrued Liability	Amortization Payments	Liability (Gain) Loss	Asset (Gain)	Change in Actuarial Assumptions	Change in Benefit Provisions	Asset Transfers	Unfunded Actuarial Accrued Liability
Noncontributory	\$ 915,767	86,215	(296,783)	5,636	—	—	(17,050)	693,785
Contributory	77,628	4,580	(23,798)	(6,840)	—	—	17,050	68,620
Public Safety	109,056	14,190	(15,997)	621	—	—	—	107,870
Firefighters	(32,425)	582	(8,107)	(174)	—	—	—	(40,124)
Judges	(331)	559	209	53	—	—	—	490
Governors and Legislative	(2,013)	(31)	47	(96)	—	—	—	(2,093)

Member and Employer Contribution Rates

As of December 31

System	Year	Contributory		Noncontributory		
		Member	Employer	Employer	Employer	
Noncontributory and Contributory Retirement System			State and School	Local Government	State and School	Local Government
	1995	6.00%	8.65%	4.86%	12.97%	8.68%
	1996	6.00	9.67	6.42	13.99	10.24
	1997	6.00	9.67	6.50	14.16	10.51
	1998	6.00	9.67	6.73	14.16	10.74
	1999	6.00	9.67	6.73	14.16	10.74
	2000	6.00	9.19	6.31	13.68	10.32
	2001	6.00	5.91	4.19	10.40	8.20
	2002	6.00	5.91	4.68	10.40	8.69
	2003	6.00	7.21	5.61	11.70	9.62
2004	6.00	8.89	7.08	13.38	11.09	
		Division A (with Social Security)		Division B (without Social Security)		All Divisions Fire Insurance Premium Tax
		Member	Employer	Member	Employer	
Firefighters Retirement System	1995	13.31%	—%	16.71%	3.50%	7.31%
	1996	13.31	—	16.71	6.64	7.98
	1997	13.31	—	16.71	6.43	8.19
	1998	13.31	—	16.71	4.74	8.48
	1999	13.31	—	16.71	0.54	8.60
	2000	10.20	—	15.50	—	8.71
	2001	6.77	—	8.43	—	8.28
	2002	7.82	—	7.83	—	8.88
	2003	8.21	—	7.83	—	10.35
	2004	8.61	—	7.83	—	12.16
		Contributory		Noncontributory		Judges
		Member	Employer	Employer	Court Fees	
Judges Retirement System	1995	8.00%	9.31%	—	26.11%	\$—
	1996	8.00	10.70	—	25.62	—
	1997	8.00	12.21	20.21%	24.11	—
	1998	8.00	11.00	19.00	22.86	—
Governors and Legislative Pension Plan	1999	8.00	7.39	15.39	21.16	—
	2000	8.00	7.10	15.10	20.29	—
	2001	5.55	—	5.55	18.93	—
	2002	4.92	—	4.92	18.40	—
	2003	7.08	—	7.08	18.06	—
	2004	2.00	5.14	7.14	19.69	—

Member and Employer Contribution Rates *(Continued)*

As of December 31

System	Year	State of Utah		Other Division A (with Social Security)		Bountiful					
		Member	Employer	Member	Employer	Member	Employer				
Public Safety Retirement System Noncontributory Division A	1995	—	21.19%	—	15.22%	—	18.36%				
	1996	—	20.60	—	14.47	—	16.97				
	1997	—	22.94	—	17.09	—	20.65				
	1998	—	23.14	—	17.42	—	22.05				
	1999	—	24.98	—	18.43	—	23.99				
	2000	—	23.62	—	17.40	—	23.18				
	2001	—	19.68	—	14.08	—	19.03				
	2002	—	18.94	—	13.89	—	17.41				
	2003	—	21.15	—	16.24	—	18.63				
	2004	—	23.46	—	19.08	—	19.68				
Public Safety Retirement System Contributory Division A	1995	12.29%	10.77%	12.29%	3.82%	11.94%	10.54%				
	1996	12.29	10.82	12.29	3.72	11.94	5.77				
	1997	12.29	12.26	12.29	5.62	11.94	8.98				
	1998	12.29	12.26	12.29	5.87	11.94	10.36				
	1999	12.29	14.12	12.29	6.84	—	—				
	2000	12.29	12.98	12.29	5.88	—	—				
	2001	12.29	8.81	12.29	2.41	—	—				
	2002	12.29	8.05	12.29	2.17	—	—				
	2003	12.29	10.02	12.29	4.52	—	—				
	2004	12.29	12.50	12.29	7.70	—	—				
Public Safety Retirement System Noncontributory Division B	1995	—	31.70%	—	22.62%	—	—	—	—	15.15%	
	1996	—	31.51	—	24.03	—	—	—	—	15.94	
	1997	—	33.68	—	24.77	—	—	—	—	17.29	
	1998	—	33.68	—	25.49	—	—	—	—	17.07	
	1999	—	36.14	—	25.80	—	—	—	—	19.85	
	2000	—	34.73	—	24.47	—	—	—	—	19.01	
	2001	—	30.72	—	21.06	—	—	—	—	16.75	
	2002	—	28.27	—	17.98	—	14.79%	—	—	17.66	
	2003	—	30.05	—	20.85	—	17.10	—	—	19.42	
	2004	—	32.52	—	24.30	—	20.77	—	—	22.17	
Public Safety Retirement System Contributory Division B	1995	13.74%	0.00%	13.18%	10.52%	11.13%	4.90%	13.54%	10.37%	10.50%	4.48%
	1996	13.74	20.38	13.18	12.65	11.13	4.65	13.54	11.03	10.50	5.27
	1997	13.74	21.82	13.18	12.65	11.13	6.72	13.54	12.81	10.50	7.55
	1998	13.74	21.82	13.18	12.90	11.13	7.76	13.54	12.81	10.50	7.11
	1999	13.74	24.00	13.18	12.83	11.13	8.28	13.54	13.52	10.50	9.97
	2000	13.74	22.56	13.18	12.23	11.13	6.96	13.54	12.58	10.50	8.92
	2001	13.74	18.21	13.18	9.08	11.13	2.93	13.54	9.72	10.50	6.43
	2002	13.74	15.50	—	—	11.13	3.66	13.54	9.47	10.50	7.34
	2003	13.74	17.61	—	—	11.13	5.97	13.54	10/85	10.50	9.47
	2004	13.74	19.96	—	—	11.13	10.03	13.54	12.22	10.50	12.35

Solvency Tests

(dollars in thousands)

System	Date	(1) Active Members Contributions	(2) Retired and Beneficiaries	(3) Active Member (Employer Financed Portion)
Noncontributory Retirement System	1/01/96	\$890,207	1,965,816	3,176,389
	1/01/97	969,310	2,273,016	3,675,632
	1/01/98	977,799	2,547,911	4,128,625
	1/01/99	981,227	2,888,469	4,466,035
	1/01/00	974,082	3,019,704	5,012,522
	1/01/01	962,724	3,404,486	5,566,304
	1/01/02	971,496	3,751,586	6,082,942
	1/01/03	955,624	4,171,062	6,637,667
	1/01/04	878,125	4,587,481	6,885,704
	12/31/04	854,159	5,217,469	7,165,443
Contributory Retirement System	1/01/96	\$234,967	543,628	213,779
	1/01/97	182,158	523,025	163,540
	1/01/98	197,833	499,390	183,276
	1/01/99	214,828	478,808	198,347
	1/01/00	231,996	451,865	210,623
	1/01/01	247,491	447,521	240,787
	1/01/02	267,963	425,956	254,993
	1/01/03	285,260	416,552	275,106
	1/01/04	283,694	409,430	289,445
	12/31/04	297,908	415,865	297,735
Public Safety Retirement System	1/01/96	\$ 85,112	323,064	362,974
	1/01/97	84,621	355,291	426,592
	1/01/98	86,500	394,325	471,275
	1/01/99	87,640	448,200	498,307
	1/01/00	87,169	485,980	532,017
	1/01/01	85,774	540,074	581,028
	1/01/02	85,106	610,272	670,756
	1/01/03	84,479	669,736	704,276
	1/01/04	81,121	742,358	733,279
	12/31/04	94,395	820,719	773,290
Firefighters Retirement System	1/01/96	\$ 52,839	155,538	125,055
	1/01/97	56,890	169,852	135,669
	1/01/98	60,314	189,904	134,757
	1/01/99	65,671	204,540	137,492
	1/01/00	70,055	212,537	136,565
	1/01/01	73,003	240,403	142,050
	1/01/02	76,510	257,301	157,463
	1/01/03	78,253	270,842	172,069
	1/01/04	79,177	289,194	181,007
	12/31/04	81,986	306,617	198,322
Judges Retirement System	1/01/96	\$ 6,163	30,573	19,216
	1/01/97	7,045	31,108	21,902
	1/01/98	7,419	34,607	20,380
	1/01/99	7,603	36,433	23,175
	1/01/00	7,990	35,621	24,523
	1/01/01	8,025	38,603	27,334
	1/01/02	8,355	40,022	37,610
	1/01/03	8,639	40,800	41,134
	1/01/04	7,873	47,713	42,316
	12/31/04	8,058	49,513	46,464
Governors and Legislative Pension Plan	1/01/96	\$ 251	4,111	2,491
	1/01/97	224	4,429	2,367
	1/01/98	224	4,467	2,307
	1/01/99	215	4,715	2,348
	1/01/00	204	5,573	2,476
	1/01/01	204	5,081	2,623
	1/01/02	203	5,079	2,900
	1/01/03	187	5,212	3,307
	1/01/04	178	5,044	3,590
	12/31/04	171	4,885	3,732

Actuarial Accrued Liabilities

(4) Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets			
		(1)	(2)	(3)	(4)
6,032,412	5,136,582	100%	100%	72%	85%
6,917,958	5,969,813	100	100	74	86
7,654,335	6,922,583	100	100	82	90
8,335,731	7,931,193	100	100	91	95
9,006,308	9,237,447	100	100	100	103
9,933,514	10,361,333	100	100	100	104
10,806,024	11,104,334	100	100	100	103
11,764,353	10,848,586	100	100	86	92
12,351,310	11,657,525	100	100	90	94
13,237,071	12,233,337	100	100	86	92
992,374	852,340	100%	100%	34%	86%
868,723	772,977	100	100	41	89
880,499	809,388	100	100	61	92
891,983	840,215	100	100	74	94
894,484	878,190	100	100	92	98
935,799	924,573	100	100	95	99
948,912	927,523	100	100	92	98
976,918	899,290	100	100	72	92
982,569	913,949	100	100	76	93
1,011,508	913,074	100	100	67	90
771,150	670,610	100%	100%	72%	87%
866,504	755,106	100	100	74	87
952,100	867,151	100	100	82	91
1,034,147	988,800	100	100	91	96
1,105,166	1,146,331	100	100	100	104
1,206,876	1,286,996	100	100	100	107
1,366,134	1,376,466	100	100	100	101
1,458,491	1,349,435	100	100	85	93
1,556,758	1,448,888	100	100	85	93
1,688,404	1,524,904	100	100	79	90
333,432	293,816	100%	100%	68%	88%
362,411	329,475	100	100	76	91
384,975	376,178	100	100	93	98
407,703	423,405	100	100	100	104
419,157	483,374	100	100	100	115
455,456	536,503	100	100	100	118
491,274	569,151	100	100	100	116
521,164	553,589	100	100	100	106
549,378	589,502	100	100	100	107
586,925	610,688	100	100	100	104
55,952	44,304	100%	100%	39%	79%
60,055	50,721	100	100	57	84
62,406	59,373	100	100	85	95
67,211	67,998	100	100	100	101
68,134	78,130	100	100	100	115
73,962	87,139	100	100	100	118
85,987	92,649	100	100	100	108
90,573	90,904	100	100	100	100
97,902	97,412	100	100	99	99
104,035	100,814	100	100	93	97
6,853	8,185	100%	100%	100%	119%
7,020	8,636	100	100	100	123
6,998	9,318	100	100	100	133
7,278	9,988	100	100	100	137
8,253	10,946	100	100	100	133
7,908	11,569	100	100	100	146
8,182	11,710	100	100	100	143
8,706	10,719	100	100	100	123
8,812	10,905	100	100	100	124
8,788	10,650	100	100	100	121

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	1995	331	70,838	\$1,801,948,000	26,951	5.17%	2.50%
	1996	336	73,652	2,054,879,000	28,580	6.04	3.30
	1997	344	75,599	2,200,988,000	30,013	5.01	1.70
	1998	349	77,512	2,365,650,000	31,063	3.50	1.60
	1999	356	81,132	2,499,087,000	31,577	1.65	2.70
	2000	367	81,894	2,659,200,000	32,744	3.70	3.40
	2001	374	81,383	2,832,060,000	34,581	5.61	1.60
	2002	376	82,486	2,926,449,000	35,481	2.60	2.40
	2003	380	83,156	2,959,347,000	35,806	0.92	1.90
	2004	391	85,046	3,084,317,000	36,643	2.34	3.30
Contributory Retirement System	1995	231	7,419	\$ 261,685,000	28,013	2.44%	2.50%
	1996	225	4,830	141,974,000	29,081	3.81	3.30
	1997	209	4,522	138,231,000	30,860	6.12	1.70
	1998	167	4,287	137,042,000	32,296	4.65	1.60
	1999	165	4,101	137,561,000	33,791	4.63	2.70
	2000	163	3,972	141,067,000	35,218	4.22	3.40
	2001	164	3,760	142,882,000	37,627	6.84	1.60
	2002	164	3,649	142,325,000	38,784	3.07	2.40
	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
Public Safety Retirement System	1995	117	5,471	\$ 159,943,000	29,824	1.23%	2.50%
	1996	115	5,736	176,979,000	31,429	5.38	3.30
	1997	115	6,041	195,464,000	32,885	4.63	1.70
	1998	115	6,380	212,414,000	33,842	2.91	1.60
	1999	115	6,631	226,057,000	34,819	2.89	2.70
	2000	116	6,839	247,985,000	36,166	3.87	3.40
	2001	116	6,905	260,783,000	37,705	4.26	1.60
	2002	119	6,966	268,478,000	39,004	3.45	2.40
	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
Firefighters Retirement System	1995	28	1,173	\$ 43,027,000	37,258	2.21%	2.50%
	1996	28	1,224	45,969,000	38,062	2.16	3.30
	1997	33	1,281	51,287,000	39,695	4.29	1.70
	1998	35	1,349	54,326,000	40,419	1.82	1.60
	1999	38	1,386	57,561,000	42,178	4.35	2.70
	2000	39	1,452	63,274,000	43,403	2.90	3.40
	2001	39	1,498	67,192,000	44,895	3.44	1.60
	2002	40	1,538	71,354,000	46,548	3.68	2.40
	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
Judges Retirement System	1995	1	99	\$ 7,903,000	88,201	3.07%	2.50%
	1996	1	100	8,981,000	90,350	2.44	3.30
	1997	1	102	9,286,000	92,532	2.42	1.70
	1998	1	104	9,388,000	95,531	3.24	1.60
	1999	1	106	10,104,000	97,562	2.13	2.70
	2000	1	104	10,397,000	100,396	2.90	3.40
	2001	1	105	10,924,000	104,298	3.89	1.60
	2002	1	103	11,173,000	106,010	1.64	2.40
	2003	1	106	10,888,000	106,613	0.57	1.90
	2004	1	106	11,646,000	107,237	0.59	3.30
Governors and Legislative Pension Plan	1995	1	95	\$ 398,000	3,825	0.00%	2.50%
	1996	1	95	482,000	4,667	22.01	3.30
	1997	1	90	468,000	5,419	16.11	1.70
	1998	1	91	468,000	5,440	0.39	1.60
	1999	1	94	468,000	5,437	(0.06)	2.70
	2000	1	88	464,000	5,533	1.77	3.40
	2001	1	92	556,000	6,422	16.07	1.60
	2002	1	91	556,000	6,454	0.50	2.40
	2003	1	97	556,000	6,388	(1.02)	1.90
	2004	1	95	556,000	5,400	(15.47)	3.30

Schedules of Retirants and Beneficiaries

Year Ended December 31

System	Year	Number Added	Number Removed	Total Retirants and Beneficiaries	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
Noncontributory Retirement System	1995	1,348	12	10,474	\$ 146,343,000	23.77%	\$ 12,756
	1996	1,448	50	11,872	161,036,000	10.04	13,164
	1997	1,429	78	13,223	186,262,000	15.66	13,668
	1998	1,482	106	14,599	213,752,000	14.76	14,184
	1999	1,716	119	16,196	243,829,000	14.07	14,577
	2000	1,709	150	17,755	276,878,000	13.55	15,120
	2001	1,577	167	19,165	311,311,000	12.44	15,756
	2002	1,737	236	20,666	348,230,000	11.86	16,351
	2003	1,805	256	22,215	386,791,000	11.07	16,884
	2004	1,803	244	23,774	424,897,000	9.85	17,126
Contributory Retirement System	1995	76	545	10,692	\$ 72,722,000	10.48%	\$ 5,436
	1996	61	524	10,229	64,494,000	(11.31)	5,652
	1997	69	545	9,753	63,884,000	(0.95)	5,916
	1998	70	585	9,238	62,249,000	(2.56)	6,168
	1999	88	578	8,748	61,141,000	(1.78)	6,423
	2000	101	557	8,292	60,317,000	(1.35)	6,742
	2001	98	542	7,848	59,575,000	(1.23)	7,078
	2002	120	566	7,402	59,497,000	(0.13)	7,490
	2003	122	582	6,942	57,863,000	(2.75)	7,865
	2004	140	564	6,518	56,992,000	(1.51)	8,039
Public Safety Retirement System	1995	146	27	1,719	\$ 25,271,000	11.65%	\$ 13,476
	1996	117	19	1,817	28,223,000	11.68	14,328
	1997	123	8	1,932	30,972,000	9.74	14,868
	1998	169	15	2,086	34,374,000	10.98	15,360
	1999	160	22	2,224	38,549,000	12.15	16,248
	2000	151	4	2,371	42,769,000	10.95	16,974
	2001	271	53	2,589	48,607,000	13.65	17,743
	2002	162	30	2,721	53,962,000	11.02	18,801
	2003	183	26	2,878	59,941,000	11.08	19,796
	2004	204	35	3,047	66,329,000	10.66	20,816
Firefighters Retirement System	1995	42	16	646	\$ 11,769,000	9.64%	\$ 14,856
	1996	35	5	676	12,888,000	9.51	15,744
	1997	43	9	710	14,321,000	11.12	16,896
	1998	32	6	736	15,741,000	9.92	18,180
	1999	42	5	773	16,955,000	7.71	18,853
	2000	53	1	825	18,738,000	10.52	19,717
	2001	52	10	867	20,778,000	10.89	20,928
	2002	32	14	885	22,288,000	7.27	22,131
	2003	40	4	921	23,520,000	5.53	22,573
	2004	30	18	933	25,263,000	7.41	24,257
Judges Retirement System	1995	2	1	71	\$ 2,355,000	7.39%	\$ 32,208
	1996	1	3	69	2,472,000	4.97	34,776
	1997	5	1	73	2,690,000	8.82	35,796
	1998	3	3	73	3,002,000	11.60	39,912
	1999	1	1	73	3,160,000	5.26	42,032
	2000	2	—	75	3,322,000	5.13	43,018
	2001	4	1	78	3,659,000	10.14	45,547
	2002	1	2	77	3,804,000	3.96	48,014
	2003	8	2	83	4,361,000	14.64	51,023
	2004	2	1	84	4,518,000	3.62	52,243
Governors and Legislative Pension Plan	1995	12	9	200	\$ 487,000	9.44%	\$ 2,364
	1996	8	8	200	504,000	3.49	2,448
	1997	12	2	210	519,000	2.98	2,400
	1998	7	4	213	538,000	3.66	2,460
	1999	13	5	221	583,000	8.36	2,556
	2000	5	7	219	662,000	13.55	2,649
	2001	10	—	229	691,000	4.38	2,606
	2002	7	5	231	708,000	2.46	2,648
	2003	3	11	223	726,000	2.54	2,817
	2004	6	8	221	712,000	(1.93)	2,804

Noncontributory Retirement System Summary of Plan Provisions

NONCONTRIBUTORY

Description	Requirement																		
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 4 years of qualifying service.																		
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td>Any age.....</td> <td>30</td> <td>None</td> </tr> <tr> <td>Any age.....</td> <td>25</td> <td>Full actuarial before age 60</td> </tr> <tr> <td>60-61.....</td> <td>20</td> <td>3% each year before age 65</td> </tr> <tr> <td>62-64.....</td> <td>10</td> <td>3% each year before age 65</td> </tr> <tr> <td>65.....</td> <td>4</td> <td>None</td> </tr> </tbody> </table> <p>†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.</p>	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
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	<p>Number of years of service x 2.0% x FAS*.</p> <p>*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.</p>																		
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.																		
Death Benefits	<p>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. 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.</p> <p>An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of transferred contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.</p> <p>A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.</p>																		
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 <i>(as of 12-31-04)</i>	Employer rate for State & School (Level A) is 13.38% of covered salary and 11.09% for Local Government (Level B).																		
Interest	Up to 8% on member accounts transferred from the Contributory Retirement System.																		

Contributory Retirement System Summary of Plan Provisions

CONTRIBUTORY

Description	Requirement															
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 4 years of qualifying service. Eligible member contributions and interest thereon vest immediately.															
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td>Any age.....</td> <td>30</td> <td>None</td> </tr> <tr> <td>60-61.....</td> <td>20</td> <td>3% each year before age 65</td> </tr> <tr> <td>62-64.....</td> <td>10</td> <td>3% each year before age 65</td> </tr> <tr> <td>65.....</td> <td>4</td> <td>None</td> </tr> </tbody> </table> <p>†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.</p>	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
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	<ol style="list-style-type: none"> 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. <p>*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.</p>															
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.															
Death Benefits	<p>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.</p> <p>An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.</p> <p>A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.</p>															
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 <i>(as of 12-31-04)</i>	Member contribution rate is 6.00%* of covered salary. Employer rate for State and School (Level A) is 8.89% of covered salary and 7.08% for Local Government (Level B). <i>*Employers have the option of paying all or part of member contributions on behalf of their employees.</i>															
Interest	Up to 8% on member accounts.															

Public Safety Retirement System Summary of Plan Provisions

PUBLIC SAFETY

Description	Requirement												
Membership Eligibility	The Public Safety Retirement System includes eligible state and local government employees directly involved in law enforcement. The Public Safety System consists of the Contributory and Noncontributory divisions. Employees are qualified for membership in the Public Safety System if: (1) they are regularly scheduled to work and be compensated for 2,080 hours a year in a recognized public safety department; (2) they have completed a certified training program; (3) their primary duty is as a peace officer, correctional officer or special function officer; and (4) in the course of employment their life or personal safety is at risk.												
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.												
Service Retirement	<table border="1"> <thead> <tr> <th data-bbox="427 737 464 764">Age</th> <th data-bbox="616 737 762 764">Years of Service</th> <th data-bbox="831 737 1018 764">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 768 496 795">Any age.....</td> <td data-bbox="667 768 687 795">20.....</td> <td data-bbox="954 768 1018 795">None</td> </tr> <tr> <td data-bbox="427 800 448 827">60.....</td> <td data-bbox="667 800 687 827">10.....</td> <td data-bbox="954 800 1018 827">None</td> </tr> <tr> <td data-bbox="427 831 448 858">65.....</td> <td data-bbox="683 831 687 858">4.....</td> <td data-bbox="954 831 1018 858">None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age.....	20.....	None	60.....	10.....	None	65.....	4.....	None
Age	Years of Service	Allowance Reduction											
Any age.....	20.....	None											
60.....	10.....	None											
65.....	4.....	None											
Service Benefit Formula	<p>1) $2.5\% \times \text{FAS}^* \times \text{years of service up to 20 years.}$ 2) $2.0\% \times \text{FAS}^* \times \text{years of service over 20 years.}$ 3) Monthly benefit = total of 1 and 2.**</p> <p>*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. **Benefits paid cannot exceed 70% of FAS.</p>												
Cost of Living Allowance	Up to 2.5% annually on original retirement benefit. Eligible after one year.												
Death Benefits	<p>Division A (with Social Security)</p> <p>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 death is in the line of duty, and 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.</p>												

Public Safety Retirement System

Summary of Plan Provisions *(Continued)*

Description	Requirement
	<p><i>Division B (without Social Security)</i></p> <p>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, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than two years of service. 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. An unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month.</p>
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 <i>(as of 12-31-04)</i>	<p><i>Noncontributory Option</i></p> <p>Employer rates for Division A are: State units 23.46%; Bountiful 19.68%; and other units 19.08% of covered salary. Employer rates for Division B are: Salt Lake City 32.52%; Ogden 24.30%, Logan 20.77% and all other units 22.17% of covered salary.</p> <p><i>Contributory Option</i></p> <p>Member rates in Division A are: State units 12.29%; and all other units 12.29% of covered salary. Member rates in Division B are: Salt Lake City 13.74%; Logan 11.13%; Provo 13.54%; and other units 10.50% of covered salary.*</p> <p>Employer rates for Division A are: State units 12.50%; and other law enforcement units 7.70% of covered salary. Employer rates for Division B are: Salt Lake City 19.96%; Logan 10.03%; Provo 12.22%; and other units 12.35% of covered salary.</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p>
Interest	Up to 8% on member accounts.

Firefighters Retirement System

Summary of Plan Provisions

FIREFIGHTERS

Description	Requirement												
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 regularly constituted 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 4 years of service credit. Eligible member contributions vest immediately.												
Service Retirement	<table border="1"> <thead> <tr> <th data-bbox="427 867 464 888">Age</th> <th data-bbox="603 867 751 888">Years of Service</th> <th data-bbox="858 867 1050 888">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 894 496 921">Any age.....</td> <td data-bbox="671 894 692 921">20</td> <td data-bbox="986 894 1050 921">None</td> </tr> <tr> <td data-bbox="427 928 448 955">60</td> <td data-bbox="671 928 692 955">10</td> <td data-bbox="986 928 1050 955">None</td> </tr> <tr> <td data-bbox="427 961 448 989">65.....</td> <td data-bbox="671 961 692 989">4</td> <td data-bbox="986 961 1050 989">None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age.....	20	None	60	10	None	65.....	4	None
Age	Years of Service	Allowance Reduction											
Any age.....	20	None											
60	10	None											
65.....	4	None											
Service Benefit Formula	<ol style="list-style-type: none"> 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.** <p>*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.</p> <p>**Benefits paid cannot exceed 70% of FAS, but cannot be less than \$500.</p>												
Cost of Living Allowance	Up to 4.0% annually on original retirement benefit. Eligible after one year.												
Disability Benefits	If disability is in the line of duty, the benefit is 50% of the final average salary with no minimum age or service requirements. If disability is not in the line of duty, the benefit is a refund of contributions for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for disability incurred in the line of duty. Benefits are suspended while receiving Workers Compensation.												
Death Benefits	<p>Division A (with Social Security)</p> <p>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. Total benefits cannot exceed 70% of the final average salary.</p> <p>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.</p>												

Firefighters Retirement System

Summary of Plan Provisions *(Continued)*

Description	Requirement
	<p><i>Division B (without Social Security)</i></p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 21 or dependent unmarried mentally or physically disabled child receives \$75 per month if the member had five or more years of service. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member.</p> <p>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 70% of the final average salary.</p> <p>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.</p>
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 <i>(as of 12-31-04)</i>	<p>Member rate in Division A is 8.61% of covered salary. Member rate in Division B is 7.83% of covered salary.* Employer rate in Division A is 0.00% and in Division B is 0.00% of covered salary. A fire insurance premium tax equal to 12.16% of salaries is also an additional part of the employer contribution rates.</p> <p>Fire insurance premium taxes are collected by the Utah State Treasurer for the Firefighters Retirement System to help fund retirement benefits.</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p>
Interest	Member contributions receive no interest.

Judges Retirement System Summary of Plan Provisions



Description	Requirement															
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	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>.....25</td> <td>.....None</td> </tr> <tr> <td>55</td> <td>.....20</td> <td>.....Full actuarial reduction</td> </tr> <tr> <td>62</td> <td>.....10</td> <td>.....None</td> </tr> <tr> <td>70</td> <td>.....6</td> <td>.....None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age25None	5520Full actuarial reduction	6210None	706None
Age	Years of Service	Allowance Reduction														
Any age25None														
5520Full actuarial reduction														
6210None														
706None														
Service Benefit Formula	1) 5.00% x FAS*x years of service up to 10 years. 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 years. 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. **Benefits paid cannot exceed 75% of FAS.															
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 final average salary on a yearly rate, 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	<i>Noncontributory Option</i> —Employer rate includes 7.14% of covered salary and 19.69% from court fees. <i>Contributory Option</i> — Member rate is 2.00% of covered salary. Employer rate includes 5.14% of covered salary and 19.69% from court fees.															
Interest	Up to 8% on member accounts.															

Governors and Legislative Pension Plan Summary of Plan Provisions

GOVERNORS AND LEGISLATIVE

Description	Requirement									
Membership Eligibility	The Governors and Legislative Pension Plan includes only governors and legislators of the State of Utah.									
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit.									
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>65</td> <td>.....4</td> <td>.....None</td> </tr> <tr> <td>62</td> <td>.....10</td> <td>.....3% each year before age 65</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	654None	62103% each year before age 65
Age	Years of Service	Allowance Reduction								
654None								
62103% each year before age 65								
Service Benefit Formula	<i>Governors</i> \$500 per month per term increased semi-annually up to 2% based on the CPI. The amount as of 12-31-04 is \$1,120 per term. <i>Legislators</i> \$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 12-31-04 is \$24.80.									
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.									
Death Benefits	An active or retired member's death benefit to a spouse consists of a monthly pension equal to 50% of the retirement allowance paid, or to which the member would have been entitled to upon reaching age 65, if the member has four or more years of service as a governor or legislator. The deceased member and surviving spouse must have been married at least six months.									
Contribution Rates	There are currently no required contributions to the Governors and Legislative Pension Plan.									

Utah Retirement Systems



Changes in Plan Provisions

The following retirement-related bills which were passed by the 2004 Utah Legislature created benefits for members of the Utah Retirement Systems and provided technical corrections and updates for the administration of the Systems.

General

H.B. 83

State Retirement—Funded Ratio

Authorizes the actuarial funded ratio of the Retirement Systems to reach 110% before the Retirement Board must certify a contribution rate decrease. However, contribution rates will not be increased to reach the 110% funded position. This bill will mitigate the volatility of changes in contribution rates.

H.B. 108

Retirement Membership for Charter School Employees

Allows charter schools the option of participating in the Utah Retirement Systems and provides a window for existing charter schools to opt out of the Utah Retirement Systems. Charter Schools are publicly funded schools that are granted a certain degree of autonomy from existing rules and regulations.

H.B. 253

Retirement Office Amendments

Makes technical corrections:

- Amends the length of time an employer must maintain records for retirement purposes.
- Modifies the manner in which benefits are paid when a beneficiary cannot be located.
- Clarifies the eligibility of units for firefighter coverage.

Public Employees Contributory Retirement System

H.B. 263

Purchase of Future Service Credit

Allows members of the Public Employees Contributory Retirement System to buy up to five years of future service credit if such a purchase will qualify the member for an unreduced retirement benefit. Heretofore, this type of purchase was restricted to the Public Employees Noncontributory System.

Public Safety Retirement System

S.B. 26

Public Safety Retirees' Cost-of-Living Increase

Creates the Public Safety Retirees' Cost-of-Living Restricted Account within the general fund. This fund may receive money from insurance premium tax revenues when they exceed the amount needed to fund the Firefighters Retirement System. The restricted account will be allowed to grow until sufficient money exists to fund an increase in the Public Safety COLA. This bill does not create an immediate benefit.

401(k) AND 457 PLANS

Summary of Plan Provisions

Introduction

Utah Retirement Systems' 401(k) and 457 plans are voluntary tax-deferred retirement savings programs authorized under sections 401(k) and 457 of the Internal Revenue Code. These plans 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 (before taxes) in one or both 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-deferred 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 deferrals, these 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. All local government employers also have the option of contributing to the 401(k) Plan on behalf of their employees. Many contribute amounts in excess of the 1.5% the State contributes. Some employers match employee contributions.

Social Security Substitute

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



401(k) and 457 Plans

Summary of Plan Provisions *(Continued)*

Summary of Plan Provisions

Deferral Limits

401(k)—Limited in 2004 to an annual maximum of \$13,000. Employer contributions and employee deferrals combined could not exceed the lesser of \$41,000 or 100% of compensation.

457—Limited to an annual maximum of \$13,000 or 100% of includable compensation.

Coordination of Deferrals

401(k)—Deferrals to the 401(k) and 403(b) plans were coordinated.

457—None.

Catch-up Provisions

401(k)—An additional \$3,000 for participants 50 or older during the year.

457—An additional \$3,000 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 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.

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.

Rollovers

401(k)—Allowable from other eligible retirement plans, or to other eligible retirement plans upon termination of employment or other qualifying events. May be either a direct rollover by the Plan or by the participant within 60 days after distribution.

457—Allowable to other eligible retirement plan or from another 457 plan.

Vesting

401(k)—Fully vested.

457—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.

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. Beginning August 1, 2004, individuals who transferred any or all of their current account between investment options more often than once every 30 days, are charged 2% of their total plan balance 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.

2004 Investment Options

Income Fund

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

Bond Fund

The *Bond Fund* invests in a diversified portfolio consisting of U.S. government securities, mortgages, corporate bonds, and short-term funds.

401(k) and 457 Plans

Summary of Plan Provisions *(Continued)*

Balanced Fund

The *Balanced Fund* invests in a portfolio consisting of approximately 60% stocks, 35% bonds and 5% short-term funds. This fund is considered less risky than most stock investments but has higher risk than most fixed income investments.

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 Standard & Poor's 500 Index and is similarly weighted. This fund represents a broad range of industries in the U.S. economy.

Large Cap Stock Growth Fund

The *Large Cap Stock Growth Fund* emphasizes capital appreciation and seeks to identify companies with future relative earnings strength at a reasonable valuation.

International Fund

The *International Fund* invests primarily in stocks of companies outside of the United States. This fund offers international diversification, but adds currency risk and country risk not found in a U.S. fund. Accordingly, the risk and return potential of this fund is considered greater than a large cap U.S. fund.

Small Cap Stock Fund

The *Small Cap Stock Fund* invested in a broad cross-section of U.S. small companies whose size (market capitalization) falls within the smallest 8% of the market universe. The market universe is comprised of companies listed on the NYSE, AMEX, and NASDAQ.

Horizon Funds Asset Allocations

	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund
Income Fund	20%	—	—
Bond Fund	65	45	20
Large Cap Stock Value Fund	—	10	10
Large Cap Stock Index Fund	10	15	25
Large Cap Stock Growth Fund	—	10	10
International Fund	5	15	25
Small Cap Stock Fund	—	5	10
Total	100%	100	100

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 following table. 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 ten years. This fund emphasizes moderate risk and moderate earnings potential. It has more risk than the Short Horizon Fund, but less than the Long Horizon Fund.

The *Long Horizon Fund* is designed for investors with ten or more years to invest before withdrawing their funds. The fund offers the potential for higher returns over a long period of time. There is higher market risk with this horizon fund, along with higher potential returns.

The historical rates of returns for each investment fund are found on page 99.

STATISTICAL

S e c t i o n



126 Schedules of Additions by Source

127 Schedules of Deductions by Type

128 Schedules of Benefit Deductions by Type

129 Schedules of Retired Members by Type of Benefit Option

130 Schedules of Average Benefit Payments

132 Schedule of Participating Employers

Schedules of Additions by Source

Year Ended December 31

(dollars in thousands)

System	Year	Member Contributions	Total Employer Contributions		Employer Contributions as a Percent of Covered Payroll	Net Investment Income	Transfers from Systems	Total Additions
			Employer Contributions	Court Fees and Fire Insurance Tax				
Noncontributory Retirement System	1995	\$ 5,614	220,955	—	12.26%	\$ 943,721	101,449	1,271,739
	1996	6,679	260,068	—	12.66	832,473	157,272	1,256,492
	1997	7,301	294,937	—	13.40	1,047,207	50,333	1,399,778
	1998	7,698	318,635	—	13.47	734,399	27,219	1,087,951
	1999	10,829	338,704	—	13.55	1,421,401	28,034	1,798,968
	2000	11,518	352,339	—	13.25	186,787	51,020	601,664
	2001	10,969	331,951	—	11.72	(544,848)	5,255	(196,673)
	2002	12,496	291,256	—	9.95	(788,906)	12,166	(472,988)
	2003	11,517	314,511	—	10.63	2,315,577	—	2,641,605
	2004	14,377	369,109	—	11.97	1,547,605	10,583	1,941,674
Contributory Retirement System	1995	\$16,362	17,723	—	6.77%	\$ 193,708	21,817	249,610
	1996	8,765	10,224	—	7.20	123,006	—	141,995
	1997	8,537	10,651	—	7.71	133,286	—	152,474
	1998	8,399	10,729	—	7.83	84,692	1,735	105,555
	1999	8,525	10,840	—	7.88	148,794	1,770	169,929
	2000	8,464	10,484	—	7.43	17,543	—	36,491
	2001	8,604	8,480	—	5.93	(47,761)	—	(30,677)
	2002	8,923	6,735	—	4.73	(64,251)	—	(48,593)
	2003	8,673	7,297	—	5.23	186,339	33,263	235,572
	2004	9,023	9,564	—	6.86	117,340	—	135,927
Public Safety Retirement System	1995	\$ 4,318	24,732	—	15.46%	\$ 127,222	510	156,782
	1996	4,151	29,271	—	16.54	107,070	434	140,926
	1997	4,345	34,217	—	17.51	132,490	918	171,970
	1998	4,463	40,099	—	18.88	92,284	1,938	138,784
	1999	3,900	45,110	—	19.96	177,027	2,305	228,342
	2000	4,132	49,353	—	19.90	23,226	2,027	78,738
	2001	3,976	46,113	—	17.68	(67,688)	1,416	(16,183)
	2002	4,258	42,264	—	15.74	(97,816)	1,956	(49,338)
	2003	4,448	46,655	—	16.76	288,126	2,002	341,231
	2004	5,038	56,319	—	19.17	192,784	4,002	258,143
Firefighters Retirement System	1995	\$ 6,976	1,685	4,862	15.22%	\$ 55,580	5	69,108
	1996	7,461	2,002	4,333	13.78	46,626	30	60,452
	1997	8,358	2,836	4,552	14.41	57,541	311	73,598
	1998	8,771	2,546	4,391	12.77	39,699	432	55,839
	1999	9,352	1,221	4,516	9.97	75,242	466	90,797
	2000	9,617	140	6,615	10.68	9,733	1,303	27,408
	2001	7,549	—	8,354	12.43	(28,038)	1,517	(10,618)
	2002	5,800	—	9,454	13.25	(40,198)	735	(24,209)
	2003	6,055	—	9,059	11.98	117,392	625	133,131
	2004	6,292	—	8,659	10.87	77,602	980	93,533
Judges Retirement System	1995	\$ 654	680	1,670	29.74%	\$ 8,333	292	11,629
	1996	734	833	1,898	30.41	7,114	102	10,681
	1997	482	1,305	1,901	34.53	8,933	754	13,375
	1998	15	1,792	1,912	39.45	6,260	427	10,406
	1999	8	1,637	1,681	32.84	12,048	116	15,490
	2000	8	1,476	1,946	32.91	1,571	183	5,184
	2001	7	1,007	2,046	27.94	(4,559)	239	(1,260)
	2002	5	472	2,381	25.53	(6,564)	560	(3,146)
	2003	103	551	1,939	22.87	19,417	1,128	23,138
	2004	8	723	1,808	21.73	12,852	204	15,595
Governors and Legislative Pension Plan	1995	\$ —	—	—	—%	\$ 1,604	—	1,604
	1996	—	—	—	—	1,270	—	1,270
	1997	—	—	—	—	1,481	15	1,496
	1998	—	—	—	—	973	16	989
	1999	—	—	—	—	1,757	17	1,774
	2000	—	—	—	—	218	16	234
	2001	—	—	—	—	(595)	18	(577)
	2002	—	—	—	—	(806)	3	(803)
	2003	—	—	—	—	2,202	—	2,202
	2004	—	—	—	—	1,381	18	1,399

Schedules of Deductions by Type

Year Ended December 31

(in thousands)

System	Year	Benefit Payments	Refunds	Administrative and Actuarial Expense	Transfers to Systems	Total Deductions
Noncontributory Retirement System	1995	\$137,928	3,571	5,138	22,559	169,196
	1996	161,036	4,774	5,721	326	171,857
	1997	186,262	4,995	6,323	304	197,884
	1998	213,752	4,500	6,460	3,502	228,214
	1999	243,829	4,343	7,093	4,703	259,968
	2000	276,878	5,292	6,850	—	289,020
	2001	311,311	3,264	6,695	—	321,270
	2002	348,230	3,715	7,103	—	359,048
	2003	386,791	3,310	8,124	37,006	435,231
	2004	424,897	3,029	7,758	—	435,684
Contributory Retirement System	1995	\$ 65,588	5,342	1,214	101,504	173,648
	1996	64,494	4,833	985	157,599	227,911
	1997	63,884	4,735	794	51,957	121,370
	1998	62,249	4,168	743	27,742	94,902
	1999	61,141	4,232	789	27,399	93,561
	2000	60,317	5,040	680	54,549	120,586
	2001	59,575	3,087	654	8,445	71,761
	2002	59,497	3,716	624	15,420	79,257
	2003	57,863	3,358	675	—	61,896
	2004	56,992	2,945	618	15,787	76,342
Public Safety Retirement System	1995	\$ 25,271	737	714	—	26,722
	1996	28,223	895	766	—	29,884
	1997	30,972	611	792	—	32,375
	1998	34,374	639	803	44	35,860
	1999	38,549	731	916	7	40,203
	2000	42,769	971	840	—	44,580
	2001	48,607	542	843	—	49,992
	2002	53,962	1,155	899	—	56,016
	2003	59,941	666	1,006	—	61,613
	2004	66,329	960	978	—	68,267
Firefighters Retirement	1995	\$ 11,769	181	320	—	12,270
	1996	12,888	84	331	2	13,305
	1997	14,321	298	331	19	14,969
	1998	15,741	274	325	493	16,833
	1999	16,955	292	361	596	18,204
	2000	18,738	312	319	—	19,369
	2001	20,778	543	318	—	21,639
	2002	22,288	422	323	—	23,033
	2003	23,520	414	360	—	24,294
	2004	25,263	106	345	—	25,714
Judges Retirement System	1995	\$ 2,355	—	53	5	2,413
	1996	2,472	—	55	—	2,527
	1997	2,690	8	55	80	2,833
	1998	3,002	—	53	—	3,055
	1999	3,160	—	59	—	3,219
	2000	3,322	—	52	—	3,374
	2001	3,659	—	52	—	3,711
	2002	3,804	—	57	—	3,861
	2003	4,361	—	63	—	4,424
	2004	4,518	—	61	—	4,579
Governors and Legislative Pension Plan	1995	\$ 485	6	7	—	498
	1996	504	1	7	—	512
	1997	519	1	6	—	526
	1998	538	—	6	—	544
	1999	583	2	6	—	591
	2000	662	1	6	—	669
	2001	691	2	6	—	699
	2002	708	—	5	—	713
	2003	726	—	6	12	744
	2004	712	5	6	—	723

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	1995	\$ 118,986	18,942	—	137,928
	1996	138,373	22,663	—	161,036
	1997	159,169	27,093	—	186,262
	1998	182,013	31,739	—	213,752
	1999	207,798	36,031	—	243,829
	2000	236,377	40,501	—	276,878
	2001	265,102	46,209	—	311,311
	2002	294,735	53,495	—	348,230
	2003	327,972	58,819	—	386,791
	2004	360,819	64,078	—	424,897
Contributory Retirement System	1995	\$ 41,815	18,789	4,984	65,588
	1996	40,580	19,445	4,469	64,494
	1997	39,784	20,085	4,015	63,884
	1998	38,276	20,419	3,554	62,249
	1999	37,371	20,647	3,123	61,141
	2000	36,662	20,929	2,726	60,317
	2001	36,714	20,528	2,333	59,575
	2002	37,256	20,292	1,949	59,497
	2003	36,520	19,719	1,624	57,863
	2004	36,620	19,041	1,331	56,992
Public Safety Retirement System	1995	\$ 21,048	3,317	906	25,271
	1996	23,499	3,817	907	28,223
	1997	25,741	4,347	884	30,972
	1998	28,600	4,923	851	34,374
	1999	32,245	5,494	810	38,549
	2000	35,900	6,105	764	42,769
	2001	41,084	6,801	722	48,607
	2002	45,588	7,689	685	53,962
	2003	50,653	8,638	650	59,941
	2004	56,047	9,670	612	66,329
Firefighters Retirement	1995	\$ 8,728	1,973	1,068	11,769
	1996	9,638	2,224	1,026	12,888
	1997	10,836	2,510	975	14,321
	1998	11,987	2,821	933	15,741
	1999	12,950	3,116	889	16,955
	2000	14,496	3,403	839	18,738
	2001	16,207	3,775	796	20,778
	2002	17,314	4,223	751	22,288
	2003	18,270	4,552	698	23,520
	2004	19,757	4,851	655	25,263
Judges Retirement System	1995	\$ 1,976	379	—	2,355
	1996	2,045	427	—	2,472
	1997	2,216	474	—	2,690
	1998	2,464	538	—	3,002
	1999	2,590	570	—	3,160
	2000	2,704	618	—	3,322
	2001	2,965	694	—	3,659
	2002	3,009	795	—	3,804
	2003	3,508	853	—	4,361
	2004	3,624	894	—	4,518
Governors and Legislative Pension Plan	1995	\$ 365	120	—	485
	1996	383	121	—	504
	1997	399	120	—	519
	1998	411	127	—	538
	1999	450	133	—	583
	2000	520	142	—	662
	2001	547	144	—	691
	2002	556	152	—	708
	2003	572	154	—	726
	2004	559	153	—	712

Schedules of Retired Members by Type of Benefit Option

December 31, 2004

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option								
		1	2	3	4	5	6	7	8	9
Noncontributory Retirement System	\$1-1,000	5,017	723	1,335	211	1,823	695	—	—	—
	1,001-2,000	2,394	362	1,176	189	1,389	640	—	—	—
	2,001-3,000	1,808	251	1,422	267	1,484	625	—	—	—
	3,001-4,000	511	62	545	142	355	176	—	—	—
	4,001-5,000	93	12	125	37	57	33	—	—	—
	over-5,000	29	2	46	12	13	13	—	—	—
Contributory Retirement System	\$1-1,000	2,566	1,349	451	95	444	208	—	—	—
	1,001-2,000	585	224	239	78	159	88	—	—	—
	2,001-3,000	91	11	42	12	20	16	—	—	—
	3,001-4,000	15	9	5	1	2	4	—	—	—
	4,001-5,000	—	—	4	—	—	—	—	—	—
	over-5,000	—	—	—	—	—	—	—	—	—
Public Safety Retirement System	\$1-1,000	—	—	—	—	—	—	—	527	—
	1,001-2,000	—	—	—	—	—	—	—	1,115	—
	2,001-3,000	—	—	—	—	—	—	—	994	—
	3,001-4,000	—	—	—	—	—	—	—	309	—
	4,001-5,000	—	—	—	—	—	—	—	84	—
	over-5,000	—	—	—	—	—	—	—	18	—
Firefighters Retirement System	\$1-1,000	—	—	—	—	—	—	—	72	—
	1,001-2,000	—	—	—	—	—	—	—	218	—
	2,001-3,000	—	—	—	—	—	—	—	424	—
	3,001-4,000	—	—	—	—	—	—	—	189	—
	4,001-5,000	—	—	—	—	—	—	—	25	—
	over-5,000	—	—	—	—	—	—	—	5	—
Judges Retirement System	\$1-1,000	—	—	—	—	—	—	2	—	—
	1,001-2,000	—	—	—	—	—	—	2	—	—
	2,001-3,000	—	—	—	—	—	—	5	—	2
	3,001-4,000	—	—	—	—	—	—	2	—	—
	4,001-5,000	—	—	—	—	—	—	5	—	5
	over-5,000	—	—	—	—	—	—	32	—	29
Governors and Legislative Pension Plan*	\$1-1,000	—	—	—	217	—	—	—	—	—
	1,001-2,000	—	—	—	1	—	—	—	—	—
	2,001-3,000	—	—	—	3	—	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—	—
	over-5,000	—	—	—	—	—	—	—	—	—

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 retiree's death.

9—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.

*Governors and Legislative Pension 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.

Schedules of Average Benefit Payments

December 31

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Noncontributory Retirement System	2000	Average Monthly Benefit	\$ 279	593	847	1,140	2,146	2,650
		Monthly Final Average Salary	1,965	2,371	2,637	2,808	3,878	4,231
		Number of Active Retired	278	240	212	209	457	313
	2001	Average Monthly Benefit	\$ 276	585	967	1,358	2,269	2,769
		Monthly Final Average Salary	2,095	2,348	2,920	3,115	4,050	4,374
		Number of Active Retired	251	220	226	182	431	267
	2002	Average Monthly Benefit	\$ 327	646	978	1,370	2,493	2,821
		Monthly Final Average Salary	2,148	2,355	2,787	3,255	4,222	4,476
		Number of Active Retired	260	258	222	195	482	320
	2003	Average Monthly Benefit	\$ 303	597	953	1,262	2,332	2,815
		Monthly Final Average Salary	2,009	2,496	2,971	3,103	4,176	4,523
		Number of Active Retired	262	220	258	209	500	356
	2004	Average Monthly Benefit	\$ 301	634	937	1,339	2,363	2,934
		Monthly Final Average Salary	2,169	2,524	2,838	3,218	4,206	4,660
		Number of Active Retired	260	250	266	199	482	346
Contributory Retirement System	2000	Average Monthly Benefit	\$ 300	553	542	1,024	1,482	1,666
		Monthly Final Average Salary	1,967	2,213	1,668	2,580	2,940	3,047
		Number of Active Retired	12	22	19	31	13	4
	2001	Average Monthly Benefit	\$ 237	445	756	998	1,724	1,599
		Monthly Final Average Salary	1,729	1,776	2,077	2,541	3,070	2,780
		Number of Active Retired	6	25	31	18	15	3
	2002	Average Monthly Benefit	\$ 283	424	753	1,005	1,679	2,668
		Monthly Final Average Salary	1,946	1,700	2,305	2,397	3,101	4,602
		Number of Active Retired	10	14	37	25	27	7
	2003	Average Monthly Benefit	\$ 220	542	785	1,063	1,861	1,998
		Monthly Final Average Salary	1,724	2,120	2,361	2,675	3,559	3,637
		Number of Active Retired	9	11	25	35	31	11
	2004	Average Monthly Benefit	\$ 338	672	795	1,067	1,875	2,415
		Monthly Final Average Salary	1,661	2,819	2,403	2,581	3,479	4,201
		Number of Active Retired	5	12	35	32	47	9
Public Safety Retirement System	2000	Average Monthly Benefit	\$ 641	1,056	1,780	2,455	2,888	3,580
		Monthly Final Average Salary	3,545	3,190	3,585	4,077	4,267	4,763
		Number of Active Retired	27	12	50	32	24	6
	2001	Average Monthly Benefit	\$ 469	1,271	1,836	2,284	3,055	3,248
		Monthly Final Average Salary	3,854	3,886	3,777	4,035	4,486	4,566
		Number of Active Retired	52	28	54	70	53	14
	2002	Average Monthly Benefit	\$ 647	1,238	2,172	2,779	2,968	3,600
		Monthly Final Average Salary	4,537	3,886	3,912	4,359	4,387	4,993
		Number of Active Retired	13	3	42	51	39	14
	2003	Average Monthly Benefit	\$ 1,372	1,073	1,834	2,468	3,241	3,586
		Monthly Final Average Salary	2,832	3,113	3,701	4,432	4,848	5,106
		Number of Active Retired	7	10	59	55	39	13
	2004	Average Monthly Benefit	\$ 723	1,207	1,970	2,282	3,386	3,233
		Monthly Final Average Salary	3,532	3,613	3,969	4,081	4,879	4,697
		Number of Active Retired	7	12	77	62	31	15

Schedules of Average Benefit Payments (Continued)

December 31

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Firefighters Retirement System	2000	Average Monthly Benefit	\$ 753	1,160	2,045	2,611	2,785	3,920
		Monthly Final Average Salary	3,616	3,810	4,060	4,348	4,311	4,935
		Number of Active Retired	2	2	4	24	19	2
	2001	Average Monthly Benefit	\$ 789	1,255	2,212	2,523	2,901	2,853
		Monthly Final Average Salary	3,539	4,002	3,844	4,408	4,331	4,031
		Number of Active Retired	5	1	9	14	20	3
	2002	Average Monthly Benefit	\$ 359	—	1,972	2,771	3,118	3,543
		Monthly Final Average Salary	2,945	—	4,140	4,584	4,653	5,061
		Number of Active Retired	2	—	10	5	11	4
	2003	Average Monthly Benefit	\$ 800	—	2,036	2,522	3,610	3,263
		Monthly Final Average Salary	3,436	—	4,326	4,594	4,863	4,636
		Number of Active Retired	3	—	5	10	19	3
	2004	Average Monthly Benefit	\$ 890	1,219	2,308	2,666	3,679	3,247
		Monthly Final Average Salary	4,241	3,579	4,040	4,979	5,293	4,532
		Number of Active Retired	4	1	9	5	8	3
Judges Retirement System	2000	Average Monthly Benefit	\$ —	—	—	6,348	6,257	—
		Monthly Final Average Salary	—	—	—	8,562	7,896	—
		Number of Active Retired	—	—	—	1	1	—
	2001	Average Monthly Benefit	\$2,702	5,080	—	6,222	—	7,240
		Monthly Final Average Salary	8,179	8,023	—	8,023	—	8,054
		Number of Active Retired	1	1	—	1	—	1
	2002	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
	2003	Average Monthly Benefit	\$ —	4,882	6,148	7,076	—	7,052
		Monthly Final Average Salary	—	8,604	8,836	9,065	—	8,608
		Number of Active Retired	—	1	4	2	—	1
	2004	Average Monthly Benefit	\$ —	5,079	—	6,631	—	—
		Monthly Final Average Salary	—	8,672	—	8,645	—	—
		Number of Active Retired	—	1	—	1	—	—
Governors and Legislative Pension Plan	2000	Average Monthly Benefit	\$ 148	258	—	—	—	—
		Monthly Final Average Salary	231	347	—	—	—	—
		Number of Active Retired	3	2	—	—	—	—
	2001	Average Monthly Benefit	\$ 142	329	—	—	—	—
		Monthly Final Average Salary	341	307	—	—	—	—
		Number of Active Retired	8	2	—	—	—	—
	2002	Average Monthly Benefit	\$ 178	—	—	552	—	—
		Monthly Final Average Salary	276	—	—	—	—	—
		Number of Active Retired	6	—	—	1	—	—
	2003	Average Monthly Benefit	\$ 169	—	—	—	—	—
		Monthly Final Average Salary	372	—	—	—	—	—
		Number of Active Retired	3	—	—	—	—	—
	2004	Average Monthly Benefit	\$ 171	—	—	—	—	—
		Monthly Final Average Salary	267	—	—	—	—	—
		Number of Active Retired	6	—	—	—	—	—

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
D = 457 Plan
K = 401(k) Plan

Employer	N	C	PS	F	D	K
School Districts and Education Employers						
Academy for Math, Engineering and Science	N					K
Alpine School District	N	C			D	K
Beaver School District	N					K
Box Elder School District	N	C			D	K
Cache School District	N	C			D	K
Carbon School District	N	C			D	K
College of Eastern Utah	N	C			D	K
Daggett School District	N	C			D	K
Davis School District	N	C			D	K
Dixie College	N	C	PS			K
Duchesne School District	N	C			D	K
Emery School District	N	C			D	K
Garfield School District	N	C				K
Grand School District	N	C				K
Granite School District	N	C			D	K
Iron School District	N	C			D	K
Jordan School District	N	C			D	K
Juab School District	N	C			D	K
Kane School District	N	C			D	K
Logan School District	N	C			D	K
Millard School District	N	C				K
Morgan School District	N				D	K
Murray School District	N	C			D	K
Nebo School District	N	C			D	K
North Sanpete School District	N	C			D	K
North Summit School District	N	C			D	K
Ogden School District	N	C			D	K
Park City School District	N	C			D	K
Piute School District	N	C				K
Provo School District	N	C			D	K
Rich School District	N	C				K
Salt Lake Arts Academy	N					
Salt Lake Community College	N	C			D	K
Salt Lake School District	N	C			D	K
San Juan School District	N	C			D	K
Sevier School District	N	C			D	K
Snow College	N	C			D	K
South Sanpete School District	N	C			D	K
South Summit School District	N					K
Southern Utah University	N	C	PS			K
Thomas Edison Charter School	N					K

Employer	N	C	PS	F	D	K
Tintic School District	N	C				K
Tooele School District	N	C			D	K
Uintah School District	N	C			D	K
University of Utah	N	C	PS			K
Utah State University	N	C	PS		D	K
Utah Valley State College	N	C			D	K
Wasatch School District	N	C			D	K
Washington School District	N	C			D	K
Wayne School District	N				D	K
Weber County School District	N	C			D	K
Weber State University	N	C				K
Academic Achievement	N					K
Active Re Entry Incorporated	N					K
Bridgerland Applied Technology Center	N					K
Davis Applied Technology Center	N					K
Educators Mutual Insurance	N	C			D	K
Fast Forward Charter High School	N					K
High School Activity Association	N	C				K
Moutainland Applied Technology College	N					K
Northern Utah Academy of Math, English and Science	N					K
Ogden-Weber Area Vocation	N	C				K
Soldier Hollow Charter School	N					K
Southwest Applied Technology College	N					K
Space Dynamics Lab	N					K
Summit Employment	N					K
Tuacahan High School	N					K
Uintah Basin Applied Technology Center	N	C			D	K
Utah Education Association	N	C			D	K
Utah School Boards Association	N					K
Utah School Boards Risk Man Mut Ins Assn	N					K
Utah School Employee Association	N				D	K
Utah Uniserv	N	C			D	K
Utah Valley Care and Training Center						K
Wasatch Front South Applied Technology Center	N					K

State and Other Employers

State of Utah						
(also participates in the Judges Retirement System and the Governors and Legislative Pension Plan)						
N	C	PS	F	D	K	
Utah Communications Agency Network	N					K
Utah Dairy Commission/Dairy Council of Utah/Nevada	N					
Utah Housing Finance Agency	N	C				K
Utah Industries f/t Blind	N					K
Utah Retirement Systems	N				D	K
Utah Safety Council	N					K
Utah Technology Finance Corp.	N					K
Workers Compensation Fund	N	C			D	K

Schedule of Participating Employers *(Continued)*

Employer	N	C	PS	F	D	K
Counties and County Organizations						
Beaver County.....	N		PS		D	K
Box Elder County.....	N	C	PS		D	K
Cache County.....	N	C	PS	F	D	K
Carbon County.....	N	C	PS		D	K
Daggett County.....	N		PS			K
Davis County.....	N		PS		D	K
Duchesne County.....		C	PS		D	K
Emery County.....	N	C	PS		D	K
Garfield County.....	N	C	PS		D	K
Grand County.....	N	C	PS			K
Iron County.....	N	C	PS		D	K
Juab County.....	N	C	PS			
Kane County.....	N		PS			
Millard County.....	N	C	PS		D	K
Morgan County.....	N		PS			K
Piute County.....	N		PS			K
Rich County.....		C	PS			
Salt Lake County.....	N	C	PS	F	D	K
San Juan County.....	N	C	PS		D	K
Sanpete County.....	N	C	PS			K
Sevier County.....	N	C	PS		D	
Summit County.....	N	C	PS			
Tooele County.....	N	C	PS	F	D	K
Uintah County.....		C	PS		D	K
Utah County.....	N	C	PS		D	
Wasatch County.....	N		PS			K
Wasatch County Fire District.....	N			F		K
Washington County.....	N		PS		D	K
Wayne County.....	N		PS			
Weber County.....	N	C	PS		D	K
Weber County Fire.....		C		F	D	K

Cities and Towns						
Alpine City.....	N					K
American Fork City.....	N		PS			
Annabella Town.....	N					K
Aurora City.....	N					K
Ballard City.....	N					K
Beaver City.....	N					K
Blanding City.....	N		PS			K
Bluffdale City.....		C		D		K
Bountiful City.....	N	C	PS	F	D	K
Brian Head Town.....		C	PS		D	
Brigham City.....	N	C	PS		D	K
Castle Dale City.....	N					
Cedar City.....	N		PS	F		K
Cedar Hills Town.....	N					
Centerfield Town.....	N					
Centerville City.....	N	C	PS		D	K
Clearfield City.....	N		PS	F	D	K
Cleveland Town.....	N					
Clinton City.....	N	C	PS	F	D	K
Coalville City.....	N					K

Employer	N	C	PS	F	D	K
Corinne City.....			C			
Delta City.....	N	C				K
Draper City.....	N					K
Duchesne City.....	N					
Eagle Mountain Town.....	N					
East Carbon City.....	N		PS		D	K
Elk Ridge Town.....	N					K
Emery Town.....		C				K
Enoch City.....	N		PS			K
Enterprise City.....	N					K
Ephraim City.....	N		PS			K
Escalante Town.....	N		PS			
Eureka City.....	N					
Fairview City.....	N					K
Farmington City.....	N		PS	F		
Farr West City.....	N				D	K
Ferron City.....	N					K
Fillmore City.....	N				D	K
Fountain Green City.....	N		PS			
Francis City.....	N					K
Fruit Heights City.....	N					K
Garden City.....	N					K
Garland City.....		C	PS			K
Goshen Town.....	N					
Grantsville City.....	N		PS		D	K
Green River City.....	N					K
Gunnison City.....	N		PS		D	K
Harrisville City.....	N	C	PS			K
Heber City.....	N		PS		D	K
Helper City.....	N		PS			K
Herriman Town.....	N					K
Highland City.....	N				D	K
Hinckley Town.....	N					K
Holden Town.....	N					
Holladay City.....	N					K
Hooper City.....	N					K
Huntington City.....	N				D	K
Hurricane City.....	N		PS	F		K
Hyde Park.....	N					K
Hyrum City.....	N					K
Ivins Town.....	N		PS			K
Kamas City.....	N		PS		D	K
Kanab City.....	N		PS		D	K
Kanosh Town.....	N					
Kaysville City.....	N	C	PS			
La Verkin City.....		C				K
Layton City.....	N	C	PS	F	D	
Leeds Town.....	N					K
Lehi City.....	N	C	PS	F		
Levan Town.....	N					
ewiston City.....	N					K
Lindon City.....	N					K
Logan City.....	N	C	PS	F	D	K
Lone Peak Safety District.....	N		PS	F		K
Manila Town.....		C				K

Schedule of Participating Employers *(Continued)*

Employer	N	C	PS	F	D	K
Manti City.....	N					K
Mantua City.....	N		PS			K
Mapleton City.....	N		PS			K
Marriott/Slaterville City.....	N					K
Meadow Town.....	N					K
Midvale City.....	N	C	PS	F	D	
Midway City.....	N	C				K
Milford City.....	N		PS			K
Millville City.....	N				D	K
Minersville.....	N					K
Moab City.....	N	C	PS		D	K
Monroe City.....	N					K
Monticello City.....	N		PS			
Morgan City.....	N					K
Moroni City.....	N		PS			
Mt Pleasant City.....	N	C	PS			K
Murray City.....	N	C	PS	F	D	K
Myton City.....	N					
Naples City.....		C	PS			K
Nephi City.....	N		PS		D	K
New Harmony Town.....	N					K
Nibley City.....	N					K
North Logan City.....	N	C	PS			K
North Ogden City.....	N	C	PS	F		
North Salt Lake City.....	N		PS		D	K
Oakley City.....		C				K
Ogden City.....	N	C	PS	F	D	K
Orangeville City.....	N					K
Orderville Town.....	N					
Orem City.....	N	C	PS	F	D	K
Panguitch City.....	N					K
Paragonah Town.....		C				
Park City.....	N	C	PS			
Parowan City.....	N	C	PS			K
Payson City.....	N		PS	F		K
Perry City.....	N		PS			K
Plain City.....	N					K
Pleasant Grove City.....	N		PS	F		
Pleasant View City.....	N	C	PS		D	K
Price City.....	N	C	PS	F		K
Providence City.....	N					K
Provo City.....	N	C	PS	F	D	K
Redmond.....	N					
Richfield City.....	N	C	PS		D	
Richmond City.....	N					K
Riverdale City.....	N	C	PS	F		K
Riverton City.....	N	C		F	D	K
Roosevelt City.....	N		PS	F	D	K
Roy City.....	N	C	PS	F	D	K
Salem City.....	N		PS		D	K
Salina City.....	N		PS			
Salt Lake City Corp.....	N	C	PS	F	D	K
Sandy City.....	N	C	PS	F	D	
Santa Clara City.....	N					K
Santaquin City.....	N		PS			K

Employer	N	C	PS	F	D	K
Saratoga Springs Town.....	N			F		K
Smithfield City.....	N		PS	F		K
South Jordan City.....		C	PS	F		K
South Ogden City.....	N		PS	F		K
South Salt Lake City.....	N		PS	F	D	K
South Weber City.....	N					K
Spanish Fork City.....	N		PS			
Spring City.....		C				
Springdale Town.....	N		PS			K
Springville City.....	N	C	PS	F		
St. George City.....	N	C	PS		D	K
Sunnyside City.....	N				D	K
Sunset City.....	N	C	PS		D	K
Syracuse City.....	N		PS		D	K
Taylorville.....	N					K
Tooele City.....	N	C	PS		D	
Tremonton City.....	N	C	PS		D	K
Vernal City.....	N	C	PS			K
Washington City.....	N					K
Washington Terrace.....	N		PS		D	K
Wellington City.....	N		PS			K
Wellsville City.....	N					K
Wendover City.....	N		PS		D	K
West Bountiful City.....		C	PS			K
West Haven.....	N					K
West Jordan City.....	N	C	PS	F	D	
West Valley City.....	N	C	PS	F		
West Point.....	N					K
Willard City.....	N		PS			
Woods Cross City.....	N	C	PS		D	K

Other Government Entities

Ash Creek Special Service District.....						D	K
Ashley Valley Sewer Management Board.....	N						
Ashley Valley Water & Sewer.....	N						
Bear Lake Special Service District.....	N						K
Bear River Association of Governments.....	N				D		K
Bear River Health District.....	N	C			D		K
Bear River Mental Health.....	N				D		K
Bear River Water Conservancy.....	N						K
Beaver County Special Service District.....	N						K
Beaver Valley Hospital.....	N						K
Bona Vista Water Improvement.....	N					D	K
Bountiful Water District.....	N					D	K
Box Elder County Mosquito District.....	N						K
Cache Metro Planning Organization.....	N						
Castle Valley Special Service District.....	N	C					K
Cedar City Library.....	N	C					K
Central Davis Sewer.....	N					D	K
Central Utah Public Health.....	N						K
Central Utah Water District.....	N					D	K
Central Weber Sewer District.....	N	C				D	K
Children's Aid Society—Utah.....	N						K
Copperton Improvement District.....	N						K
Cottonwood Improvement District.....	N					D	K

Schedule of Participating Employers *(Continued)*

Employer	N	C	PS	F	D	K
Davis & Weber County Canal		C				K
Davis Behavioral Health.....	N				D	K
Davis County Mosquito Abatement	N					K
Davis County Housing		C				K
Davis County Solid Waste Management.....	N				D	K
DDI Advantage		C				K
Duchesne County Mosquito District.....		C				
Duchesne County Water Conservancy District	N					
East Duchesne Culinary Water Imp District	N					K
Emery County Nursing Home		C			D	K
Emery County Recreation Special Service District	N					K
Emery Water Conservancy District.....	N					K
Farmington Area Pressurized Irrigation District ..	N					K
Five-County Association of Governments.....	N	C			D	K
Four Corners Mental Health	N	C			D	K
Grand County Solid Waste Management	N					K
Grand County Water Conservancy District	N					
Granger-Hunter Improvement District	N				D	K
Gunnison Valley Hospital	N	C				K
Heber Light & Power	N				D	K
Heber Valley Historic Railroad Authority	N					K
Heber Valley Special District	N					
Hooper Water Improvement District	N					
Housing Authority of Carbon	N					K
Housing Authority of Ogden City	N					
Housing Authority of SLC.....	N	C				K
Housing Authority of SL County	N					
Jordan Valley Water Conservancy District	N	C			D	K
Jordanelle Special Service District	N					K
Kearns Improvement District.....	N	C				K
Maesar Water District	N					K
Magna Mosquito Abatement	N					K
Metro Water District—SLC	N				D	K
Midway Sanitation District.....	N					K
Moab Valley Fire District	N			F		K
Mountain Regional Water Special Service District	N					K
Mountainland Association of Governments.....	N	C			D	K
Nebo Credit Union	N					K
North Davis County Sewer.....	N	C				
North Emery Water Users Association.....	N					
North Fork Special Service District.....	N					
North Pointe Solid Waste Special Service Dist...	N					K
North View Fire Agency.....				F		
Oquirrh Recreation and Parks District	N					K
Park City Fire Service District	N			F		K
Price River Water Improvement	N				D	K
Provo Housing Authority	N					
Provo Reservoir Water Users.....	N					
Provo River Water Users.....	N				D	K
Roosevelt City Housing Authority	N					
Roy Water Conservancy District	N					K
SLC Employees Credit Union	N					K
SLC Library.....	N					K
SLC Mosquito Abatement	N					K
SLC School Credit Union	N					K

Employer	N	C	PS	F	D	K
SLC Sub. Sanitation #1	N					K
SLC Sub. Sanitation #2	N					K
SL County Service Area #2.....	N				D	K
SL County Service Area #3.....	N					D K
SL County Sewer Improvement District #1	N	C				D K
San Juan Mental Health/ Substance Abuse District.....	N					K
Sandy Sub. Improvement District.....	N					K
Six-County Association of Governments.....	N	C			D	K
Snyderville Basin	N	C			D	K
Solitude Improvement District	N					K
South Davis County Sewer Improvement District	N	C			D	K
South Davis County Water Improvement District	N					K
South Davis County Fire Department.....	N			F	D	K
Southeastern Utah A.O.G.	N	C			D	K
Southeastern Utah Health	N	C				K
Southern Utah Valley Power System.....	N					K
South Ogden Conservancy District.....	N				D	K
South SL County Mosquito Abatement.....	N					K
Southwest Center.....	N					K
Southwest Utah District Health	N	C			D	K
South Utah Valley Solid Waste.....	N					K
St. George Housing Authority	N					K
Strawberry Electric Service Department.....	N					K
Summit Park Water Special Service District	N					K
Taylorville—Bennion Improvement.....	N				D	K
Timber Lakes Special Service District.....	N					K
Timpanogos Special Service District.....	N	C				
Tooele County Housing.....	N					K
Trans-Jordan Cities.....	N				D	K
Tri-City Golf Course.....	N					K
Tridell-Lapoint Water District	N					K
Twin Creeks Special Service District.....	N					K
Uintah Basin Assistance Council	N					
Uintah Basin Association of Governments.....	N					
Uintah Basin Tri-County Mental Health	N					K
Uintah County Mosquito Abatement.....	N					K
Uintah Health Care Special Service District	N					K
Uintah Special Service District	N					K
Uintah Water Conservancy District	N					
Unified Fire Authority	N		PS	F		K
Upper Country Water District.....	N					
Utah Association of Counties.....	N					K
Utah Counties Insurance Pool	N					K
Utah County Housing Authority	N	C			D	
Utah Lake Distributing Co.....	N					
Utah League of Cities & Towns.....		C				
Utah Local Governments Trust	N					
Utah Municipal Power Agency.....	N					K
Utah Public Employees Association	N	C				K
Utah State Fair Corporation	N					K
Utah Telecommunication Open Infrastructure Agency	N					K

Schedule of Participating Employers *(Continued)*

Employer	N	C	PS	F	D	K
Utah Zoological Society	N	C				K
Valley Emergency Communication Center	N				D	K
Valley Mental Health	N	C			D	K
Wasatch County Special Service Area I.....	N					K
Wasatch Front Regional Council		C			D	K
Wasatch Mental Health	N	C			D	K
Washington County Association for Retarded Citizens	N					K
Washington County Solid Waste #1	N					K
Washington County Water District.....		C				K
Weber Basin Water Conservancy	N				D	K
Weber County Mosquito Abatement.....	N				D	K
Weber Human Services.....	N				D	K
Weber River Water Users		C				K
Western Kane County Special Service District #1	N					K
White City Water Improvement District	N					K
Total Participating Employers						418
Noncontributory.....						391
Contributory						161
Public Safety						119
Firefighters						44
Judges						1
Governor and Legislative						1
457 Plan.....						153
401(k) Plan						344

Inactive Units with Retirees

Employer
American Fork Hospital
Bay Area Refuse Disposal
Bingham City
Box Elder County Nursing Home
Carbon County Hospital
Carbon Nursing Home
Coalville Health Center
Dixie Center at St. George
Dixie Hospital
Emery Medical Center
Four Corners Regional Hospital
Genola Town
Grand County Road Special Service District
Hiawatha Town
Honeyville Town
I. W. Allen Hospital
Juab County Hospital
Marysvale Town
Metro Water District—Provo
Midvale Wastewater Treatment
Morgan County Library
Mountain America Credit Union
Payson City HospitalEmployer
Pioneer Care Center
Reg 2 Law Enforcement Plan Agency
Salt Lake County Fair
San Juan County Hospital
Six-County Economic Development
Snow College South
Sugarhouse Park Authority
Tooele Valley Hospital
Trail Incorporated
U of U Research Institute
USU Community Credit Union
Uintah Basin Counsel Inc
Uintah Basin Medical Center
Uintah County Council on Aging
Uintah County Hospital
Utah Local Governments Trust
Utah Partnership for Education Economics
Wasatch County Hospital
Weber County Hospital
Weber Economic Development Corporation
West Millard Hospital

SYSTEMS AND PLANS STATISTICAL HIGHLIGHTS

Year Ended December 31, 2004

Utah Retirement Systems	Non-contributory	Contributory	Public Safety	Firefighters	Judges	Governors and Legislators	Averages And Totals All Systems
Membership Information							
Total Membership	132,643	11,341	11,412	2,601	197	403	159,097
Active	85,046	3,393	7,173	1,591	106	95	97,404
Terminated vested	23,823	1,430	1,192	77	7	87	26,616
Retired	23,774	6,518	3,047	933	84	221	35,077
2004 Active Members	85,046	3,393	7,173	1,591	106	95	97,404
Average age	44.6	50.6	38.7	39.5	55.6	52.4	44.4
Average years of service	10.2	19.2	9.0	10.7	11.1	6.7	10.4
Average annual salary \$	36,643	40,821	40,300	49,863	107,237	5,400	37,462
2004 Retirees							
Number	1,803	140	204	30	2	6	2,185
Average age	62.1	61.7	53.0	52.3	59.6	65.8	61.1
Average years of service	21.4	23.2	22.1	25.0	19.6	6.8	21.6
Final average annual salary	\$41,005	35,097	50,148	56,107	103,900	3,618	41,633
Average annual benefit	\$18,850	15,201	27,187	33,871	70,255	2,000	19,601
Average annual benefit —all retirees	\$ 17,126	8,039	20,816	24,257	52,243	2,804	15,890
Financial Information							
Changes in Net Assets <i>(in thousands)</i>							
Contributions	\$ 383,486	18,587	61,357	14,951	2,539	—	480,920
Investment income/(loss)	\$ 1,547,605	117,340	192,784	77,602	12,852	1,381	1,949,564
Pension benefits	\$424,897	56,992	66,329	25,263	4,518	712	578,711
Net assets at market value	\$12,786,130	949,393	1,594,043	637,979	105,483	11,066	16,084,094
Actuarial Information							
Funding Progress <i>(dollars in thousands)</i>							
Actuarial value of assets	\$12,233,337	913,074	1,524,904	610,688	100,814	10,650	15,393,467
Actuarial accrued liability	\$13,237,071	1,011,508	1,688,404	586,925	104,035	8,788	16,636,731
Unfunded actuarial accrued liability	\$ 1,003,734	98,434	163,500	(23,763)	3,221	(1,862)	1,243,264
Funded ratios	92.4%	90.3%	90.3%	104.0%	96.9%	121.2%	92.5%
401(k) and 457 Plans							
				401(k)	457		
Membership Information							
Number of active employees eligible to participate				91,494	80,698		
Employee contributions (excluding employer contributions):							
Number of employees contributing				42,560	5,323		
Percent of eligible employees contributing				46.5%	6.6%		
Average percent of salary deferred by employees				6.1%	8.2%		
Total participants				125,312	12,532		
Average participant account balance				\$ 15,087	17,018		
Financial Information							
Changes in net assets <i>(in thousands)</i>							
Contributions				\$ 170,958	17,368		188,326
Net investment income (loss)				152,410	17,118		169,528
Refunds				81,611	16,937		98,548
Total net assets				\$1,890,555	213,271		2,103,826

Utah Retirement Systems

560 East 200 South

Salt Lake City

Utah 84102-2021

www.urs.org