

2009

# Utah Retirement Systems

A Component Unit of the State of Utah

## Comprehensive Annual Financial Report

For the Year Ended December 31, 2009



Noncontributory Retirement System • Contributory Retirement System  
Public Safety Retirement System • Firefighters Retirement System  
Judges Retirement System • Governors and Legislators Retirement Plan  
401(k) and 457 Plans • Roth and Traditional IRA Plans  
Health Reimbursement Arrangement (HRA)

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Utah Retirement Systems

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2008

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.



  
President  
*Jeffrey R. Emer*  
Executive Director



Public Pension Coordinating Council

### **Public Pension Standards Award For Funding and Administration 2009**

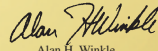
Presented to

#### **Utah Retirement Systems**

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

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)

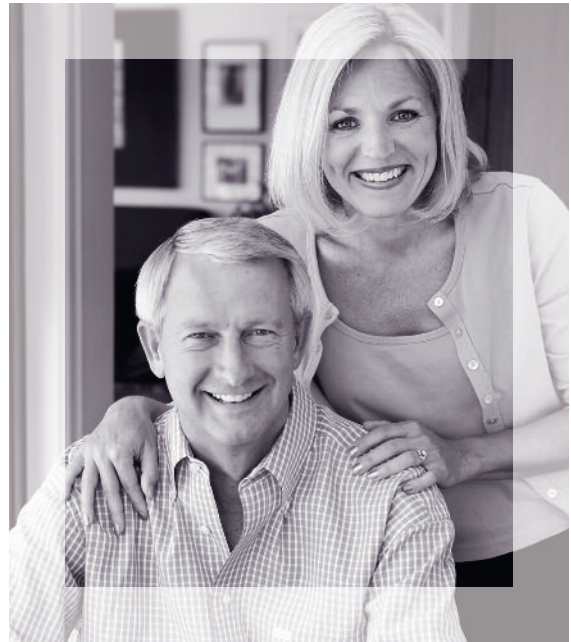
  
Alan H. Winkle  
Program Administrator

# 2009 Utah Retirement Systems

A Component Unit of the State of Utah

## Comprehensive Annual Financial Report

For the Year Ended December 31, 2009



**Noncontributory Retirement System**  
**Contributory Retirement System**  
**Public Safety Retirement System**  
**Firefighters Retirement System**  
**Judges Retirement System**  
**Governors and Legislators Retirement Plan**  
**401(k) and 457 Plans**  
**Roth and Traditional IRA Plans**  
**Health Reimbursement Arrangement (HRA)**

Prepared by:

Finance Department • Utah Retirement Systems  
540 East 200 South • Salt Lake City, Utah 84102-2044

[www.urs.org](http://www.urs.org)

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

## 2009 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 Utah Governors and Legislators Retirement Plan
- 24 Defined Contribution Savings Plans

## Financial Section

- 26 Independent Auditors' Report
- 27 Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance  
and Other Matters
- 28 Management's Discussion and Analysis

### Basic Financial Statements:

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

### Required Supplementary Information:

- 74 Schedules of Funding Progress
- 76 Schedules of Employer Contributions
- 77 Notes to Required Supplementary Information

### Supplementary Financial Supporting Schedules:

Individual Retirement Systems' Schedules by Division:

#### Noncontributory Retirement System:

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

#### Contributory Retirement System:

- 82 Schedules of Fiduciary Net Assets by Division
- 83 Schedules of Changes in Fiduciary Net Assets by Division
- 84 Schedules of Funding Progress by Division
- 85 Schedules of Employer Contributions by Division

#### Public Safety Retirement System:

- 86 Schedules of Fiduciary Net Assets by Division
- 88 Schedules of Changes in Fiduciary Net Assets by Division
- 90 Schedules of Funding Progress by Division
- 92 Schedules of Employer Contributions by Division

#### Firefighters Retirement System:

- 94 Schedules of Fiduciary Net Assets by Division
- 95 Schedules of Changes in Fiduciary Net Assets by Division
- 96 Schedules of Funding Progress by Division
- 97 Schedules of Employer Contributions by Division

- 98 Schedules of Administrative and Investment Expenses

## Investment Section

### Defined Benefits Investments:

- 101 Report on Investment Activity
- 103 Outline of Investment Policies
- 103 Investment Summary
- 104 Asset Allocation
- 105 Total Pension Investment Rates of Return
- 106 Comparative Investment Results
- 107 List of Largest Assets Held
- 107 Schedules of Fees and Commissions
- 108 Investment Professionals

### Defined Contribution Plans Investments:

- 109 Investment Highlights
- 111 Plans Comparative Annualized Rates of Return
- 112 List of Largest Assets Held
- 112 Schedules of Fees and Commissions
- 113 Investment Professionals

## Actuarial Section

- 116 Actuary's Certification Letter
- 119 Summary of Actuarial Assumptions and Methods
- 123 Analysis of Financial Experience
- 124 Member and Employer Contribution Rates
- 126 Solvency Tests
- 129 Schedules of Active Member Valuation Data
- 129 Schedules of Retirants and Beneficiaries

### Summaries of Plan Provisions:

- 130 Noncontributory Retirement System
- 131 Contributory Retirement System
- 132 Public Safety Retirement System
- 134 Firefighters Retirement System
- 136 Judges Retirement System
- 136 Utah Governors and Legislators Retirement Plan
- 137 Changes in Plan Provisions
- 138 Defined Contribution Savings Plans

## Statistical Section

- 142 Schedules of Changes in Fund Balance  
Defined Benefit Systems
- 144 Schedules of Changes in Fund Balance  
Defined Contribution Plans
- 146 Schedules of Benefit Deductions by Type
- 147 Schedules of Retired Members by Type of Benefit  
Option
- 148 Schedules of Average Benefit Payments
- 150 Schedules of Active Members by Age and Gender
- 151 Schedules of Retirees by Age and Gender
- 152 Schedules of Principal Participating Employers
- 153 Schedule of Utah Retirement Office Employees
- 155 Schedule of Participating Employers
- 159 Utah Retirement Systems — A Highlight History

## Systems and Plans Statistical Highlights

(Inside back cover)

# Introductory Section

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



All Retirement Systems

# Additions by Source

(in millions)



(in millions)

|                                   | 2000         | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008           | 2009         |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|
| Net Investment Income (Loss)      | \$239        | (693)        | (999)        | 2,929        | 1,949        | 1,491        | 2,518        | 1,304        | (4,862)        | 2,088        |
| Member Contributions              | 34           | 31           | 31           | 31           | 35           | 42           | 45           | 41           | 36             | 36           |
| Employer Contributions            | 414          | 388          | 341          | 369          | 436          | 479          | 523          | 581          | 629            | 647          |
| Court Fees and Fire Insurance Tax | 8            | 10           | 12           | 11           | 10           | 11           | 11           | 16           | 12             | 18           |
| Transfers from Systems            | 55           | 8            | 15           | 37           | 16           | 25           | 6            | 12           | 15             | 44           |
| <b>Totals</b>                     | <b>\$750</b> | <b>(256)</b> | <b>(600)</b> | <b>3,377</b> | <b>2,446</b> | <b>2,048</b> | <b>3,103</b> | <b>1,954</b> | <b>(4,170)</b> | <b>2,833</b> |

# Letter of Transmittal

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

ROBERT V. NEWMAN  
 EXECUTIVE DIRECTOR

April 16, 2010

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

Dear Board Members:

We are pleased to present the 2009 Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems), including the 401(k), 457, Roth and Traditional IRA Plans, and the Health Reimbursement Arrangement (Plans). Together, the Systems and Plans constitute a component unit of the State of Utah, administered by the Utah State Retirement Board (Board) for calendar year 2009.

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

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

For financial reporting purposes, the Systems and Plans utilize Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial Statements — and Management's*

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

The Utah Retirement Systems and 401(k), 457, Roth and Traditional IRA Plans, and HRA were established by legislation and authorized as indicated in the notes to the basic financial statements on page 48. The Summaries of Plan Provisions are presented on pages 130 through 140. 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.

## **Management's Discussion and Analysis**

The Management's Discussion and Analysis (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.

## Letter of Transmittal (Continued)

**Actuarial**

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

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

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

**Financial Information**

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. 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 note 5 to the basic financial statements and in the required supplementary information. These schedules show the actuarial value of assets, which is based on a five-year smoothed expected rate of return, wherein the excess or shortfall of investment income over or under the actuarial assumed income rate (currently 7.75%) is recognized over a five-year period. This is the value of assets used by the actuary in determining contribution rates for the Systems as disclosed in note 5 to the basic financial statements. The current funded ratios at year end range from 81% to 98%.

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

**Investments**

The economic condition of the Systems is based primarily upon investment earnings. For 2009 the Systems experienced a 12.9% rate of return. The Systems' investments were evaluated at year end by Callan Associates Inc., Investment Measurement Service. A comparative analysis of rates of return is presented on page 106 of this report.

The investment portfolio mix at fair value as of the end of 2009 is 24% debt securities, 37% equities, 7% private equity, 15% real estate, 4% short term, and 13% absolute return. The 24% debt securities is comprised of 20% domestic



## Letter of Transmittal (Continued)

and 4% international instruments. The 37% equities is comprised of 23% domestic and 14% 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 with additional diversification achieved through domestic and international investing.

The investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. All collateral on deposits is held in the counterparties' joint custody accounts at the Federal Reserve Bank. On occasion, deposits may be significantly greater than collateral due to investment purchase "fails": receipt of interest earnings on the 15th of each month, and proceeds from investment sales and maturities. Of approximately \$21.9 billion in investments at fair value as of December 31, 2009, 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.

#### 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, 2008. 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 25 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 2009 Award. This award is in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

#### Acknowledgments

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

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

Sincerely yours,



Robert K. Kellersberger, CGFM  
Finance Director



Robert V. Newman  
Executive Director

# Board President's Letter

UTAH STATE RETIREMENT BOARD

## UTAH RETIREMENT SYSTEMS

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

ROBERT V. NEWMAN  
EXECUTIVE DIRECTOR

April 16, 2010

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

Dear Members of the Retirement Systems:

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

### Investment Performance in 2009

Financial markets rebounded in 2009 and restored positive investment performance for the year for a return of 12.88%, which exceeded the actuarial assumption of 7.75%. This translated into net investment income of \$2.1 billion. Assets of the systems increased by \$1.8 billion ending 2009 with total assets of \$17.7 billion. These figures reflect the Systems' diversified investment strategy which seeks to maximize long-term total returns consistent with prudent levels of risk.

### Defined Contribution Assets Approach \$3 Billion

Members have benefited from the market recovery in a personal way. Net assets of the URS Defined Contribution Retirement Savings Plans continue to grow. Members contributed \$258 million and at year end, defined contribution assets exceeded \$2.9 billion. While participants' individual rates of return varied according to their choices among the available investment options, I believe most participants were rewarded with investment gains in 2009. I encourage members to continue contributing to these valuable retirement savings plans. I also encourage members to increase their knowledge of what they are investing in by taking advantage of the educational opportunities URS offers through the website and other means.

### Excellent Leadership Keeps Systems Sound

Members also benefit from the Membership Advisory Council, a valued body that keeps the Board and the Legislature abreast of the interests and concerns of members, so they can be properly addressed.

I express my appreciation for the breadth and depth of experience possessed by members of the Board, each of whom makes a valuable contribution to the success of the Utah Retirement Systems. The Board meets numerous times during the year and also spends considerable time preparing for those meetings.

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



Kathy Jones-Price,  
President, Utah State Retirement Board

## Retirement Board



Standing, left to right

**John L. Lunt**

Appointed July 20, 2001  
Term expires July 1, 2013  
Represents  
investment community

**David B. Winder**

Appointed December 1, 2003  
Term expires July 1, 2011  
Represents  
investment community

**Jay R. Blain**

Appointed May, 20, 2009  
Term expires July 1, 2011  
Represents  
education employees

**Larry W. Evans**

*Vice President*  
Appointed July 1, 2007  
Term expires July 1, 2011  
Represents public employees

Seated, left to right

**Richard K. Ellis**

State Treasurer  
Member since Jan. 5, 2009  
Ex-officio member

**Kathryn D. Jones-Price**

*President*  
Appointed March 5, 2004  
Term expires July 1, 2013  
Represents  
investment community

**Phillip W. Clinger**

Appointed June 21, 2002  
Term Expires July 1, 2013  
Represents  
investment community

## Executive Director

**Robert V. Newman**



## Membership Council

**Officer Mike Galieti\*** .....Represents Utah Peace Officers' Association  
*Chairperson*

**Ms. Sheri Watters\*** .....Represents Utah Public Employees' Association  
*Vice-Chairperson*

**Ms. Kim Campbell\*** .....Represents Utah Education Association

**Ms. Vicki Coon\*** .....Represents Utah School Employees' Association

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

*\* Executive Committee*

**Representative Brad L. Dee** .....Represents Utah Association of Counties

**Mr. Dean Drew** .....Represents Utah Public Employees' Association

**Mr. Jay R. Blain** .....Represents Utah Education Association

**Mr. Roger Miner** .....Represents Utah Retired School Employees' Association

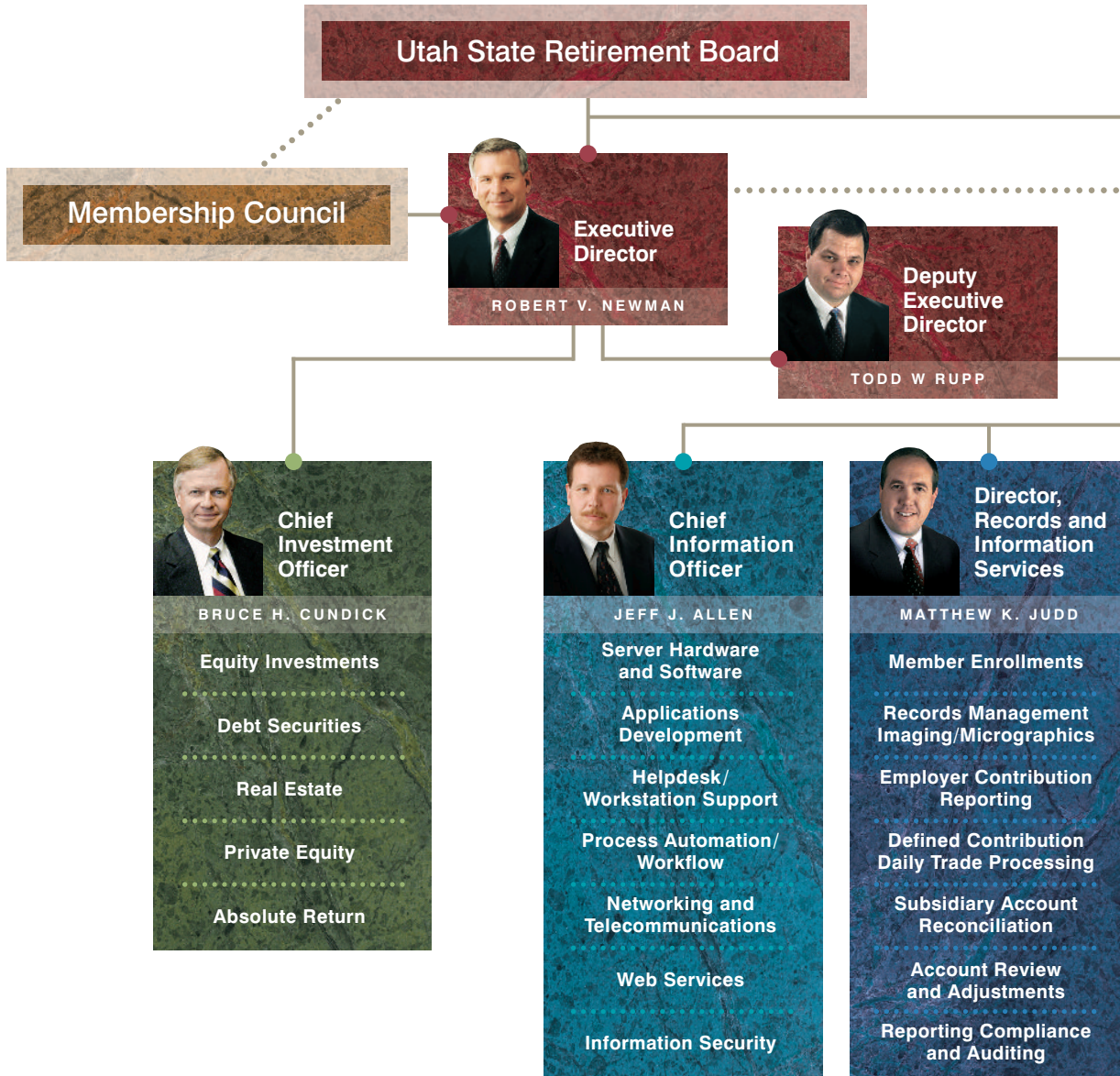
**Honorable Gregory Orme** .....Represents Utah Judicial Council

**Mr. Marty Peterson** .....Represents Professional Firefighters of Utah

**Mr. Jim Thompson** .....Represents Utah Education Association

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

# 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*

**Bruce H. Cundick, CFA**  
*Chief Investment Officer*

**Jeff J. Allen**  
*Chief Information Officer*

**Matthew K. Judd**  
*Director, Records and Information Services*

**Robert K. Kellersberger, CGFM**  
*Finance Director*

**Jeana L. Woffinden, SPHR**  
*Director, Human Resources*

**Judy C. Lund**  
*Director, Retirement*

**Craige D. Stone**  
*Director, Defined Contribution Savings Plans*



**Director,  
Internal  
Audit**


STEVEN M. WEST

Investment Compliance

**Professional Services**

Actuary • Auditor  
Legal • Consultants  
Investment Advisors  
Medical Director

Detail for professional service providers is shown below. Investment professionals are presented on pages 108 and 113.



**Director,  
Finance**

ROBERT K. KELLERSBERGER

Financial Reporting and Accounting

Budgets

Tax Reporting


Cash Receipts and Disbursement

Cash Management

Accounts Payable

Payroll

Risk Management



**Director,  
Defined  
Contribution  
Savings Plans**

CRAIGE D. STONE

401(k) Plan

457 Plan

Traditional IRA

Roth IRA

Health Reimbursement Arrangement (HRA)



**Director,  
Human  
Resources**

JEANA L. WOFFINDEN

Human Resources

Safety/Security



**Director,  
Retirement**

JUDY C. LUND

Retirement Benefits

Death Benefits

Redeposits, Purchases and Adjustments

Refunds

Branch Office

## Professional Consultants

### Actuary

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

### Auditor

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

### Legal Counsel

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

### Other Consultants

Advanced Risk Management  
Techniques Inc.  
1901 Main Street, Suite 300  
Irvine, CA 92614

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

Ice Miller, LLP  
One American Square  
Suite 3100  
Indianapolis, IN 46282

# Noncontributory System Highlights



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

### 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

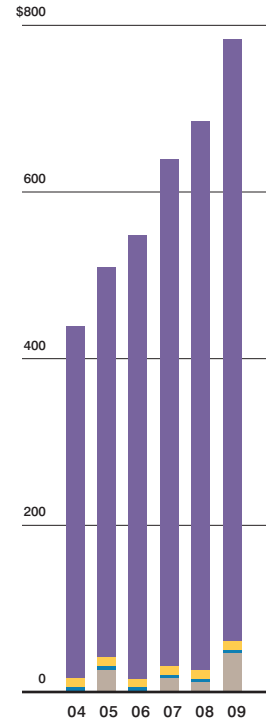
Up to 4% annually on original retirement benefit.

### Contribution Rates (as of 12-31-2009)

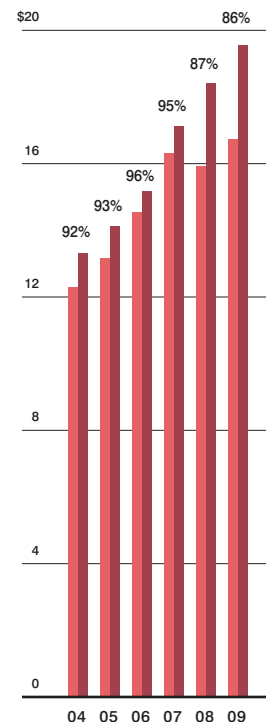
Employer rate for the State and School Division (Level A) is 14.22% of covered salary and 11.66% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 130.

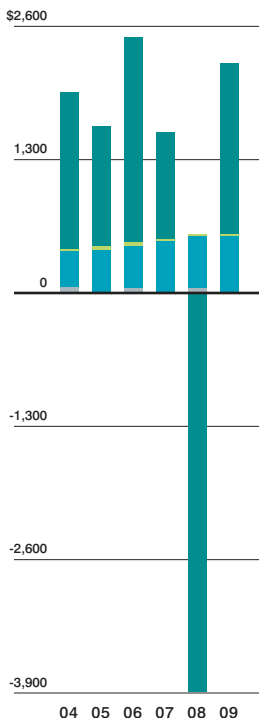
**Deductions by Type**  
(in millions)



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



**Additions by Source**  
(in millions)



|  | 2004             | 2005           | 2006           | 2007           | 2008             | 2009           |
|--|------------------|----------------|----------------|----------------|------------------|----------------|
| <b>Additions by Source</b> (in millions) |                  |                |                |                |                  |                |
| Investment Income (Loss)                 | \$1,547.6        | 1,185.1        | 2,006.7        | 1,041.4        | (3,888.6)        | 1,667.5        |
| Member Contributions                     | 14.4             | 19.8           | 22.6           | 18.2           | 14.1             | 14.1           |
| Employer Contributions                   | 369.1            | 406.8          | 440.4          | 487.8          | 522.7            | 535.3          |
| Transfers from Systems                   | 10.6             | —              | 0.1            | 7.2            | —                | —              |
| <b>Totals</b>                            | <b>\$1,941.7</b> | <b>1,611.7</b> | <b>2,469.8</b> | <b>1,554.6</b> | <b>(3,351.8)</b> | <b>2,216.9</b> |

|   | 2004            | 2005         | 2006         | 2007         | 2008         | 2009         |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|
| <b>Deductions by Type</b> (in millions) |                 |              |              |              |              |              |
| Benefit Payments                        | \$ 424.9        | 469.7        | 533.2        | 609.5        | 659.8        | 723.1        |
| Administrative Expense                  | 7.8             | 7.6          | 7.9          | 8.3          | 8.8          | 8.3          |
| Refunds                                 | 3.0             | 3.2          | 2.8          | 3.4          | 2.5          | 2.9          |
| Transfers to Systems                    | —               | 25.0         | —            | —            | 14.5         | 44.4         |
| <b>Totals</b>                           | <b>\$ 435.7</b> | <b>505.5</b> | <b>543.9</b> | <b>621.2</b> | <b>685.6</b> | <b>778.7</b> |

|   | 2004    | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---------|------|------|------|------|------|
| <b>Funding Progress</b> (dollars in billions) |         |      |      |      |      |      |
| Actuarial Value of Assets                     | \$ 12.2 | 13.1 | 14.4 | 16.2 | 15.8 | 16.6 |
| Accrued Actuarial Liability                   | \$ 13.2 | 14.0 | 15.1 | 17.0 | 18.3 | 19.4 |

|                       |     |     |     |     |     |     |
|-----------------------|-----|-----|-----|-----|-----|-----|
| <b>Funding Ratios</b> | 92% | 93% | 96% | 95% | 87% | 86% |
|-----------------------|-----|-----|-----|-----|-----|-----|



## Noncontributory Composite Picture

**Total Membership** .....157,697  
Active .....92,766  
Terminated vested.....31,030  
Retired.....33,901

**2009 Active Members** ....92,766  
Average age .....45.3  
Average years of service.....10.3  
Average annual salary ....\$41,945

**2009 Retirees**.....2,540  
Average age .....63.1  
Average years of service.....21.2  
Final average  
annual salary.....\$45,618  
Average annual benefit...\$19,180

**Average annual benefit—  
all retirees** .....\$20,039

*Pictured: Kaye Dawn Falslev, Teacher / Counselor, Skyview High School, Smithfield*

# Contributory System Highlights



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

### 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

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 2.00% x FAS.\*
3. Plan 1 allowance = total of 1 and 2.

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

### Cost of Living Allowance

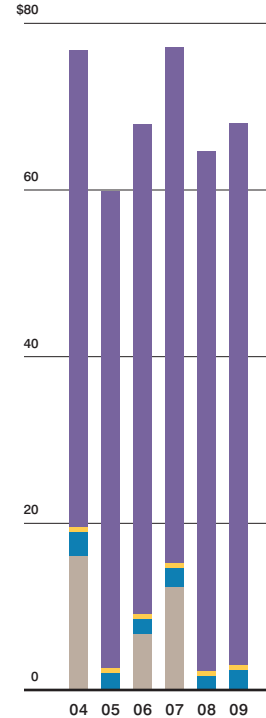
Up to 4% annually on original retirement benefit.

### Contribution Rates (as of 12-31-2009)

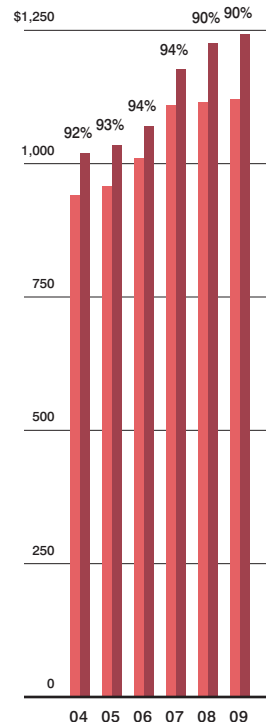
Member rate is 6.00% of covered salary. Employer rate for State and School Division (Level A) is 9.73% of covered salary and 7.65% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 131.

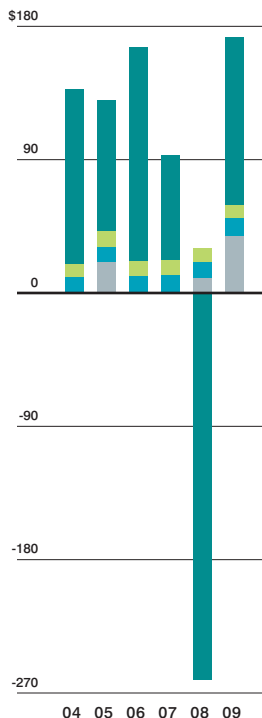
**Deductions by Type**  
(in millions)



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



**Additions by Source**  
(in millions)



|  | 2004            | 2005         | 2006         | 2007        | 2008           | 2009         |
|--|-----------------|--------------|--------------|-------------|----------------|--------------|
| <b>Additions by Source</b> (in millions) |                 |              |              |             |                |              |
| Investment Income (Loss) \$              | 117.3           | 88.4         | 144.0        | 71.6        | (261.2)        | 112.6        |
| Member Contributions                     | 9.0             | 10.3         | 9.5          | 9.7         | 9.4            | 8.7          |
| Employer Contributions                   | 9.6             | 10.4         | 10.7         | 11.2        | 11.0           | 10.9         |
| Transfers from Systems                   | —               | 19.6         | —            | —           | 9.0            | 37.6         |
| <b>Totals</b>                            | <b>\$ 135.9</b> | <b>128.7</b> | <b>164.2</b> | <b>92.5</b> | <b>(231.8)</b> | <b>169.8</b> |

|   | 2004           | 2005        | 2006        | 2007        | 2008        | 2009        |
|---|----------------|-------------|-------------|-------------|-------------|-------------|
| <b>Deductions by Type</b> (in millions) |                |             |             |             |             |             |
| Benefit Payments \$                     | 57.0           | 57.1        | 58.5        | 61.7        | 62.1        | 64.8        |
| Administrative Expense                  | 0.6            | 0.6         | 0.6         | 0.6         | 0.6         | 0.6         |
| Refunds                                 | 2.9            | 1.8         | 1.8         | 2.3         | 1.5         | 2.2         |
| Transfers to Systems                    | 15.8           | —           | 6.5         | 12.1        | —           | —           |
| <b>Totals</b>                           | <b>\$ 76.3</b> | <b>59.5</b> | <b>67.4</b> | <b>76.7</b> | <b>64.2</b> | <b>67.6</b> |

|   | 2004       | 2005       | 2006       | 2007       | 2008       | 2009       |
|---|------------|------------|------------|------------|------------|------------|
| <b>Funding Progress</b> (dollars in millions) |            |            |            |            |            |            |
| Actuarial Value of Assets \$                  | 934.0      | 951.5      | 1,004.5    | 1,102.1    | 1,097.7    | 1,114.0    |
| Accrued Actuarial Liability \$                | 1,013.8    | 1,027.3    | 1,063.0    | 1,170.3    | 1,218.6    | 1,234.9    |
| <b>Funding Ratios</b>                         | <b>92%</b> | <b>93%</b> | <b>94%</b> | <b>94%</b> | <b>90%</b> | <b>90%</b> |



## Contributory Composite Picture

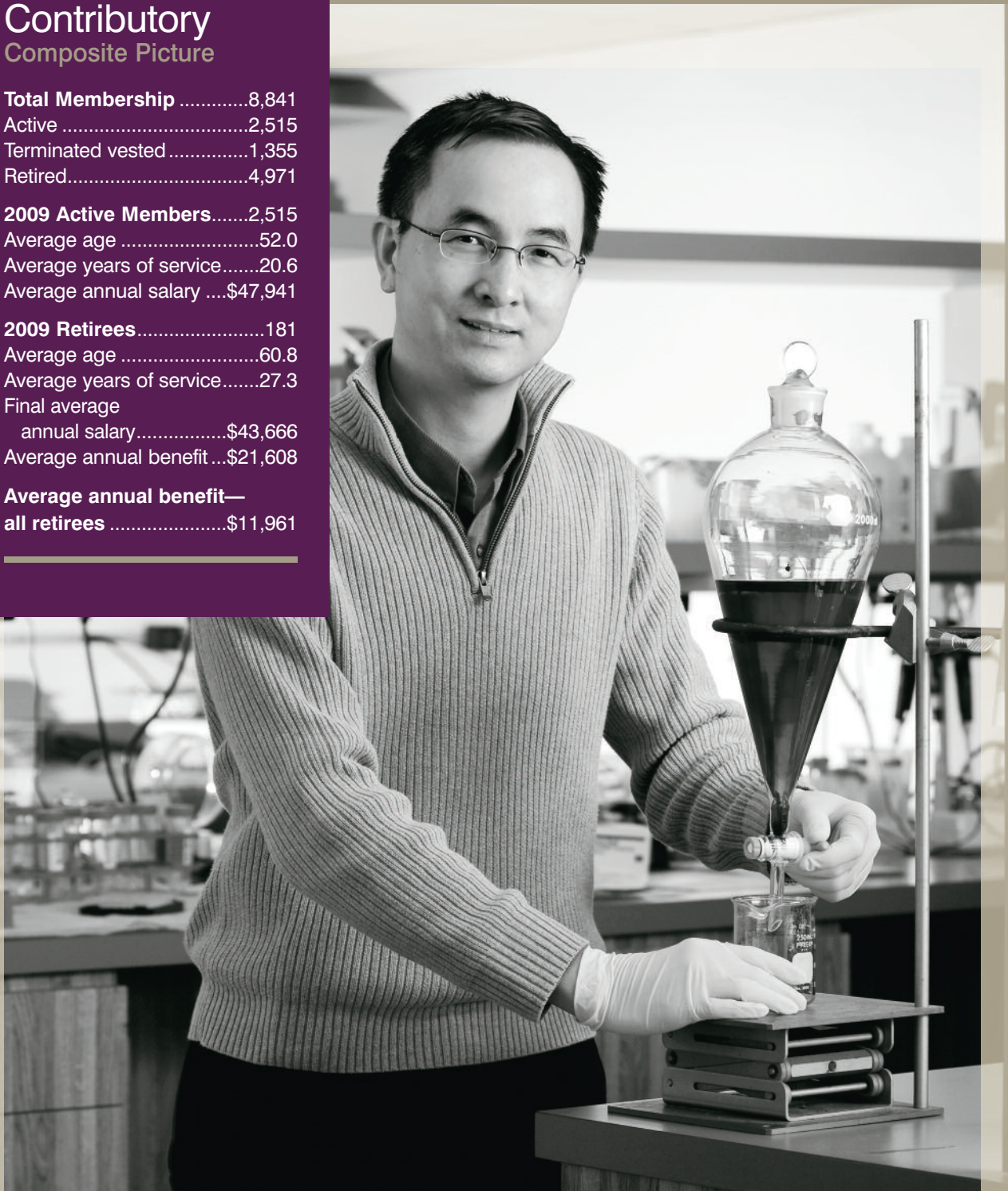
**Total Membership** .....8,841  
Active .....2,515  
Terminated vested .....1,355  
Retired.....4,971

**2009 Active Members**.....2,515  
Average age .....52.0  
Average years of service.....20.6  
Average annual salary ....\$47,941

**2009 Retirees** .....181  
Average age .....60.8  
Average years of service.....27.3  
Final average  
annual salary.....\$43,666  
Average annual benefit ...\$21,608

**Average annual benefit—  
all retirees** .....\$11,961

---



*Pictured: Kim Nguyen, Lab Specialist, University of Utah*

# Public Safety System Highlights



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

### Service Retirement

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

### Service Benefit Formula

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

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

\*\*Benefits paid cannot exceed 70% of FAS.

### Cost of Living Allowance

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

### Contribution Rates (as of 12-31-2009)

#### NONCONTRIBUTORY

Employer rates range from 23.07% to 35.71% of covered salary.

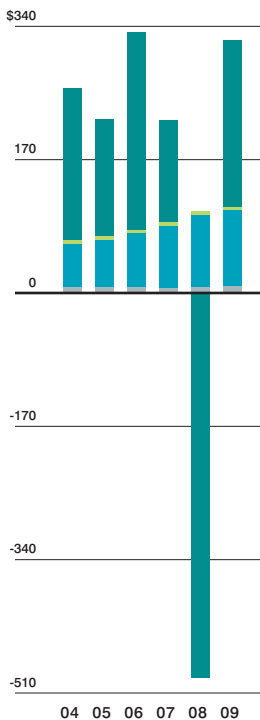
#### CONTRIBUTORY

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

Employer rates range from 12.47% to 19.17% of covered salary.

For more detail see Summary of Plan Provisions on page 132.

**Additions by Source**  
(in millions)



### Additions by Source (in millions)

|                          | 2004            | 2005         | 2006         | 2007         | 2008           | 2009         |
|--------------------------|-----------------|--------------|--------------|--------------|----------------|--------------|
| Investment Income (Loss) | \$ 192.8        | 148.1        | 250.8        | 130.7        | (491.0)        | 213.6        |
| Member Contributions     | 5.0             | 4.8          | 4.6          | 4.3          | 2.2            | 1.6          |
| Employer Contributions   | 56.3            | 61.3         | 70.5         | 81.2         | 93.9           | 98.7         |
| Transfers from Systems   | 4.0             | 4.3          | 3.3          | 2.3          | 3.7            | 4.6          |
| <b>Totals</b>            | <b>\$ 258.1</b> | <b>218.5</b> | <b>329.2</b> | <b>218.5</b> | <b>(391.2)</b> | <b>318.5</b> |

### Deductions by Type (in millions)

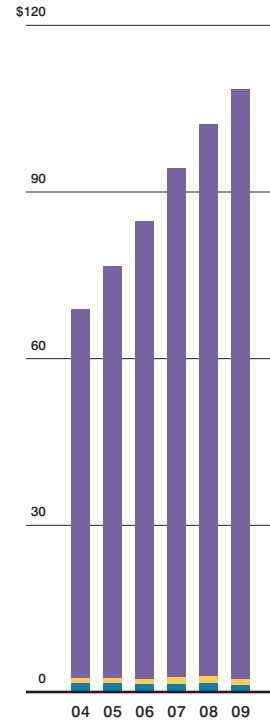
|                        | 2004           | 2005        | 2006        | 2007        | 2008         | 2009         |
|------------------------|----------------|-------------|-------------|-------------|--------------|--------------|
| Benefit Payments       | \$ 66.3        | 74.0        | 82.5        | 91.9        | 98.9         | 106.3        |
| Administrative Expense | 1.0            | 1.0         | 1.0         | 1.1         | 1.2          | 1.1          |
| Refunds                | 1.0            | 1.0         | 0.6         | 0.7         | 0.9          | 0.4          |
| <b>Totals</b>          | <b>\$ 68.3</b> | <b>76.0</b> | <b>84.1</b> | <b>93.7</b> | <b>101.0</b> | <b>107.8</b> |

### Funding Progress (dollars in millions)

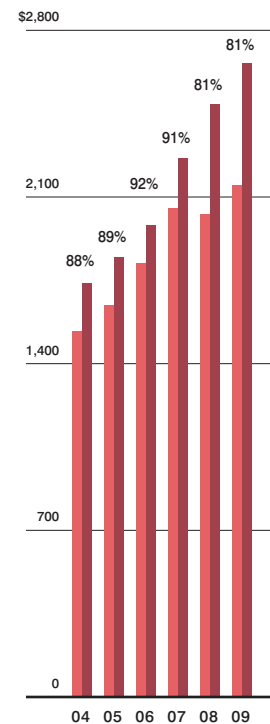
|                             |           |         |         |         |         |         |
|-----------------------------|-----------|---------|---------|---------|---------|---------|
| Actuarial Value of Assets   | \$1,524.9 | 1,633.0 | 1,809.2 | 2,038.6 | 2,015.0 | 2,137.0 |
| Accrued Actuarial Liability | \$1,726.8 | 1,834.5 | 1,969.0 | 2,247.8 | 2,474.0 | 2,644.1 |

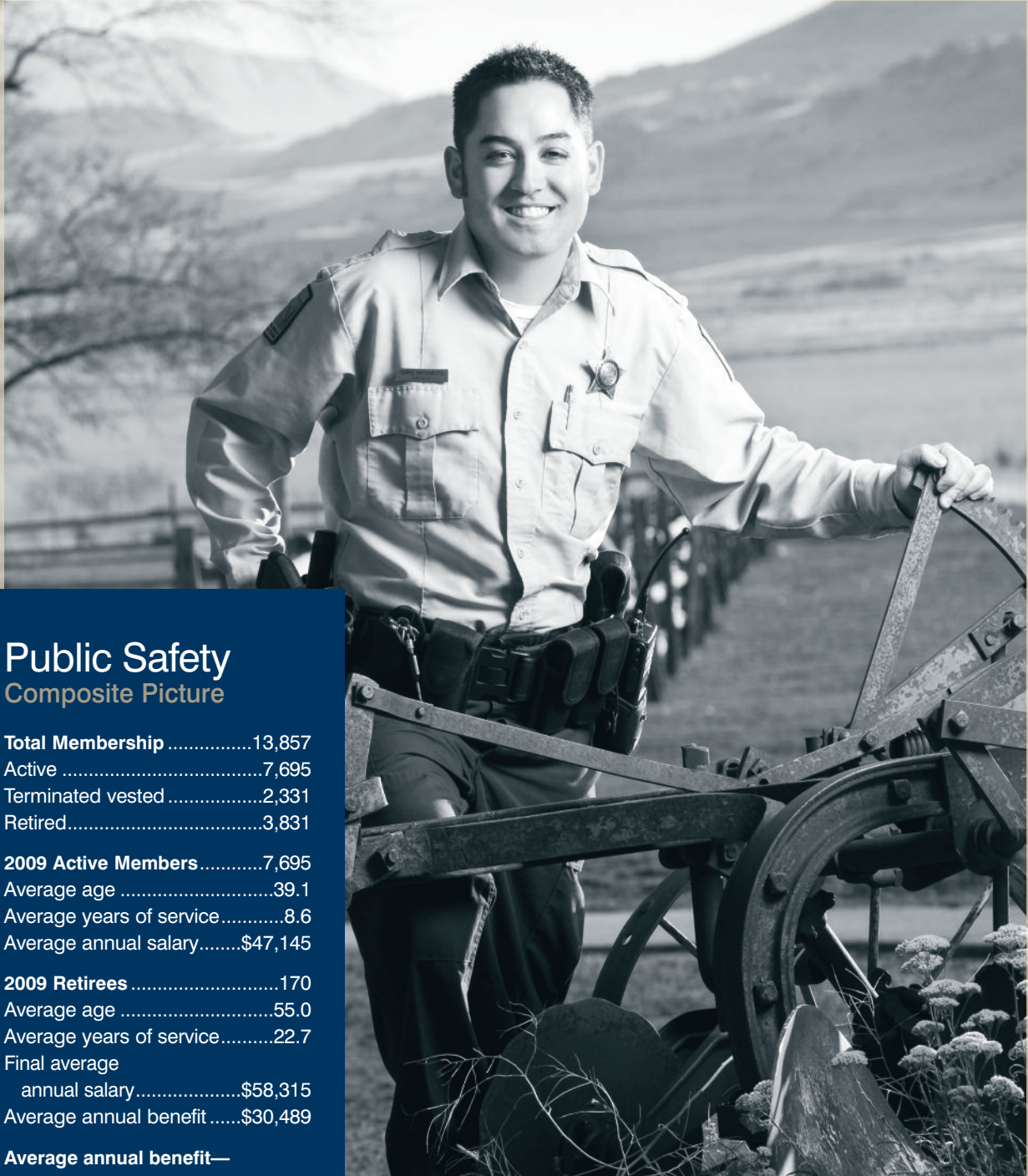
| Funding Ratios | 88% | 89% | 92% | 91% | 81% | 81% |
|----------------|-----|-----|-----|-----|-----|-----|
|----------------|-----|-----|-----|-----|-----|-----|

**Deductions by Type**  
(in millions)



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





## Public Safety Composite Picture

**Total Membership** ..... 13,857  
 Active ..... 7,695  
 Terminated vested ..... 2,331  
 Retired ..... 3,831

**2009 Active Members** ..... 7,695  
 Average age ..... 39.1  
 Average years of service ..... 8.6  
 Average annual salary ..... \$47,145

**2009 Retirees** ..... 170  
 Average age ..... 55.0  
 Average years of service ..... 22.7  
 Final average  
 annual salary ..... \$58,315  
 Average annual benefit ..... \$30,489

**Average annual benefit—  
 all retirees** ..... \$25,710

*Pictured: Chris Haramoto, Assistant Park Manager, Antelope Island State Park*

# Firefighters System Highlights



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

### Service Retirement

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

### Service Benefit Formula

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

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

\*\*Benefits paid cannot exceed 70% of FAS.

### Cost of Living Allowance

Up to 4% annually on original retirement benefit.

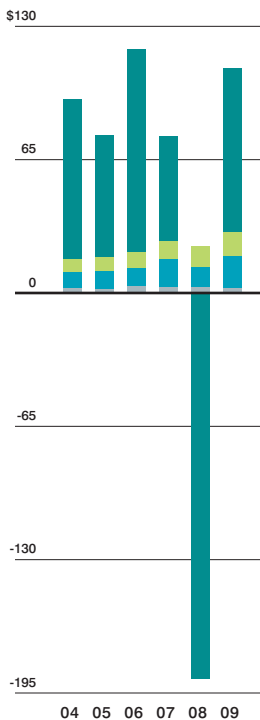
### Contribution Rates (as of 12-31-2009)

Member rate for Division A (with Social Security) is 13.49% of covered salary and 9.68% for Division B (without Social Security).

Employer 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 134.

**Additions by Source**  
(in millions)

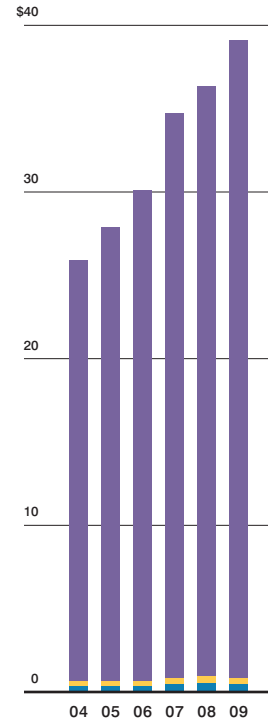


|  | 2004           | 2005        | 2006         | 2007        | 2008           | 2009         |
|--|----------------|-------------|--------------|-------------|----------------|--------------|
| <b>Additions by Source</b> (in millions) |                |             |              |             |                |              |
| Investment Income (Loss)                 | \$ 77.6        | 58.8        | 98.6         | 50.7        | (188.1)        | 79.8         |
| Member Contributions                     | 6.3            | 6.7         | 7.8          | 9.2         | 10.4           | 11.3         |
| Fire Insurance Tax                       | 8.7            | 9.6         | 9.5          | 13.8        | 10.2           | 16.2         |
| Transfers from Systems                   | 1.0            | 0.6         | 1.8          | 1.7         | 1.5            | 1.2          |
| <b>Totals</b>                            | <b>\$ 93.6</b> | <b>75.7</b> | <b>117.7</b> | <b>75.4</b> | <b>(166.0)</b> | <b>108.5</b> |

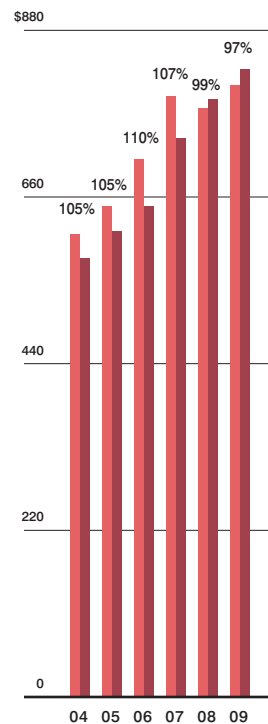
|                           | (in millions)  |             |             |             |             |             |
|---------------------------|----------------|-------------|-------------|-------------|-------------|-------------|
| <b>Deductions by Type</b> |                |             |             |             |             |             |
| Benefit Payments          | \$ 25.3        | 27.3        | 29.5        | 33.9        | 35.4        | 38.3        |
| Administrative Expense    | 0.3            | 0.3         | 0.3         | 0.4         | 0.4         | 0.4         |
| Refunds                   | 0.1            | 0.1         | 0.1         | 0.2         | 0.3         | 0.2         |
| <b>Totals</b>             | <b>\$ 25.7</b> | <b>27.7</b> | <b>29.9</b> | <b>34.5</b> | <b>36.1</b> | <b>38.9</b> |

|                             | (dollars in millions) |             |             |             |            |            |
|-----------------------------|-----------------------|-------------|-------------|-------------|------------|------------|
| <b>Funding Progress</b>     |                       |             |             |             |            |            |
| Actuarial Value of Assets   | \$610.7               | 644.5       | 705.1       | 787.7       | 765.9      | 802.6      |
| Accrued Actuarial Liability | \$578.9               | 614.4       | 643.8       | 732.8       | 776.6      | 825.2      |
| <b>Funding Ratios</b>       | <b>105%</b>           | <b>105%</b> | <b>110%</b> | <b>107%</b> | <b>99%</b> | <b>97%</b> |

**Deductions by Type**  
(in millions)



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



## Firefighters Composite Picture

**Total Membership** .....3,147  
 Active .....1,907  
 Terminated vested .....128  
 Retired.....1,112

**2009 Active Members** .....1,907  
 Average age .....39.2  
 Average years of service.....10.0  
 Average annual salary.....\$54,466

**2009 Retirees** .....38  
 Average age .....55.7  
 Average years of service.....28.3  
 Final average  
     annual salary.....\$72,674  
 Average annual benefit.....\$44,025

**Average annual benefit—  
 all retirees** .....\$30,158



*Pictured: Joy Stearns, Paramedic / Firefighter, West Jordan*

# Judges System Highlights



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

### 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.

\*\*Benefits paid cannot exceed 75% of FAS.

### Cost of Living Allowance

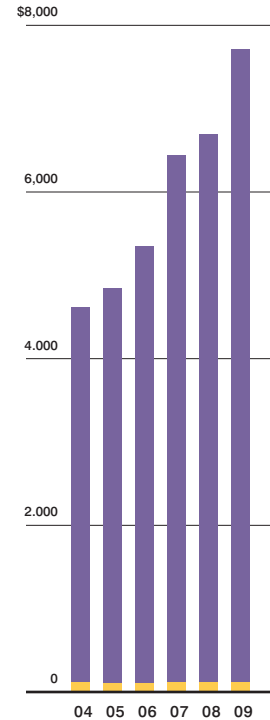
Up to 4% compounded annually.

### Contribution Rates (as of 12-31-2009)

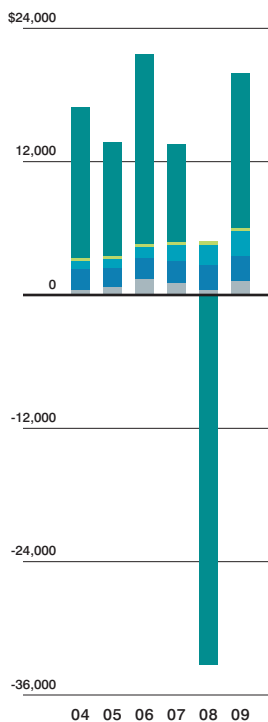
Employer rate is 17.09% of covered salary.

For more detail see Summary of Plan Provisions on page 136.

**Deductions by Type**  
(in thousands)



**Additions by Source**  
(in thousands)



### Additions by Source (in thousands)

|                          | 2004            | 2005          | 2006          | 2007          | 2008            | 2009          |
|--------------------------|-----------------|---------------|---------------|---------------|-----------------|---------------|
| Investment Income (Loss) | \$12,852        | 9,762         | 16,287        | 8,401         | (31,053)        | 13,214        |
| Member Contributions     | 8               | 8             | 10            | 13            | 138             | 67            |
| Employer Contributions   | 723             | 792           | 995           | 1,360         | 1,730           | 2,083         |
| Court Fees               | 1,808           | 1,605         | 1,723         | 1,850         | 2,072           | 2,101         |
| Transfers from Systems   | 204             | 518           | 1,242         | 841           | 294             | 1,027         |
| <b>Totals</b>            | <b>\$15,595</b> | <b>12,685</b> | <b>20,257</b> | <b>12,465</b> | <b>(26,819)</b> | <b>18,492</b> |

### Deductions by Type (in thousands)

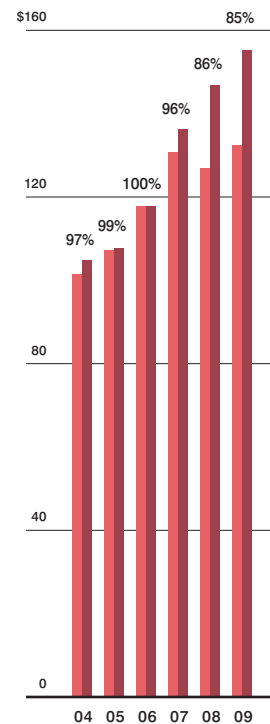
|                        | 2004            | 2005         | 2006         | 2007         | 2008         | 2009         |
|------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|
| Benefit Payments       | \$ 4,518        | 4,755        | 5,251        | 6,335        | 6,580        | 7,595        |
| Administrative Expense | 61              | 60           | 60           | 65           | 70           | 66           |
| <b>Totals</b>          | <b>\$ 4,579</b> | <b>4,815</b> | <b>5,311</b> | <b>6,400</b> | <b>6,650</b> | <b>7,661</b> |

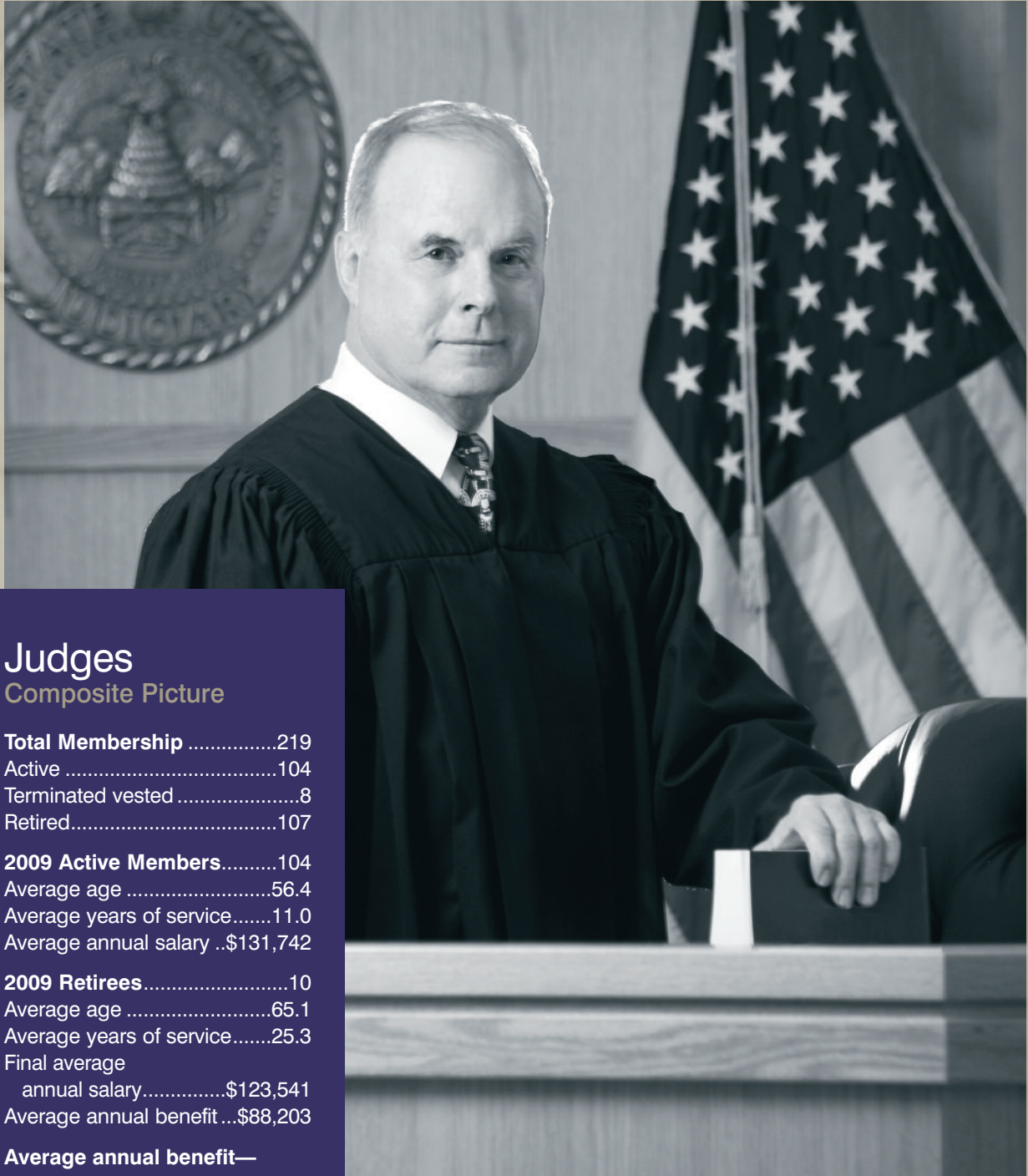
### Funding Progress (dollars in millions)

|                             | 2004     | 2005  | 2006  | 2007  | 2008  | 2009  |
|-----------------------------|----------|-------|-------|-------|-------|-------|
| Actuarial Value of Assets   | \$ 100.8 | 106.4 | 116.9 | 129.8 | 126.1 | 131.5 |
| Accrued Actuarial Liability | \$ 104.2 | 107.0 | 117.1 | 135.4 | 146.0 | 154.3 |

| Funding Ratios | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------|------|------|------|------|------|------|
|                | 97%  | 99%  | 100% | 96%  | 86%  | 85%  |

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





## Judges

### Composite Picture

**Total Membership** .....219  
 Active .....104  
 Terminated vested .....8  
 Retired.....107

**2009 Active Members**.....104  
 Average age .....56.4  
 Average years of service.....11.0  
 Average annual salary ..\$131,742

**2009 Retirees**.....10  
 Average age .....65.1  
 Average years of service.....25.3  
 Final average  
 annual salary.....\$123,541  
 Average annual benefit ...\$88,203

**Average annual benefit—  
 all retirees** .....\$65,133

*Pictured: Judge Clint S. Judkins, 1st District Court, Logan*

# Utah Governors and Legislators Retirement Plan



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

### 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 12-31-09 is \$1,220 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 12-31-09 is \$26.80 per year.

### Cost of Living Allowance

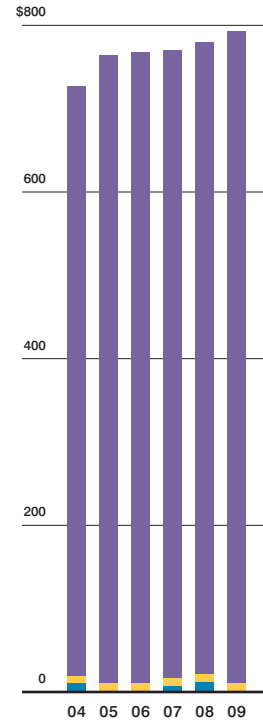
Up to 4% annually on original retirement benefit.

### Contribution Rates (as of 12-31-2009)

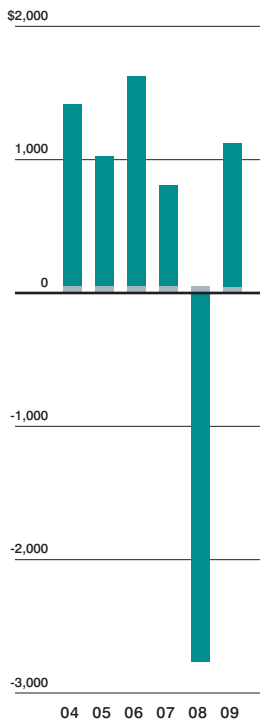
There are currently no required contributions.

For more detail see Summary of Plan Provisions on page 136.

**Deductions by Type**  
(in thousands)



**Additions by Source**  
(in thousands)



**Additions by Source** (in thousands)

|                          | 2004           | 2005         | 2006         | 2007       | 2008           | 2009         |
|--------------------------|----------------|--------------|--------------|------------|----------------|--------------|
| Investment Income (Loss) | \$1,381        | 997          | 1,589        | 780        | (2,763)        | 1,098        |
| Transfers from Systems   | 18             | 16           | 18           | 18         | 17             | 9            |
| <b>Totals</b>            | <b>\$1,399</b> | <b>1,013</b> | <b>1,607</b> | <b>798</b> | <b>(2,746)</b> | <b>1,107</b> |

**Deductions by Type** (in thousands)

|                        | 2004          | 2005       | 2006       | 2007       | 2008       | 2009       |
|------------------------|---------------|------------|------------|------------|------------|------------|
| Benefit Payments       | \$ 712        | 755        | 758        | 758        | 763        | 784        |
| Administrative Expense | 6             | 5          | 5          | 5          | 5          | 5          |
| Refunds                | 5             | —          | —          | 2          | 7          | —          |
| <b>Totals</b>          | <b>\$ 723</b> | <b>760</b> | <b>763</b> | <b>765</b> | <b>775</b> | <b>789</b> |

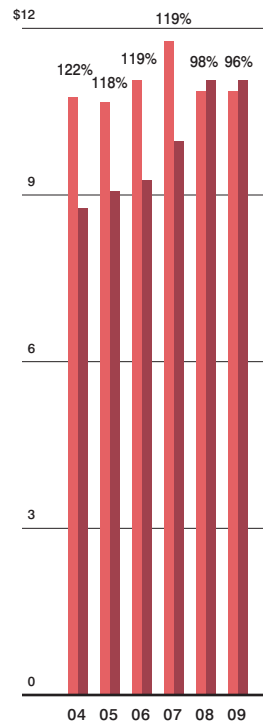
**Funding Progress** (dollars in millions)

|                             | 2004    | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------------------|---------|------|------|------|------|------|
| Actuarial Value of Assets   | \$ 10.7 | 10.6 | 11.0 | 11.7 | 10.8 | 10.8 |
| Accrued Actuarial Liability | \$ 8.7  | 9.0  | 9.2  | 9.9  | 11.0 | 11.0 |

**Funding Ratios**

|  |      |      |      |      |     |     |
|--|------|------|------|------|-----|-----|
|  | 122% | 118% | 119% | 119% | 98% | 98% |
|--|------|------|------|------|-----|-----|

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





## Utah Governors and Legislators Retirement Plan

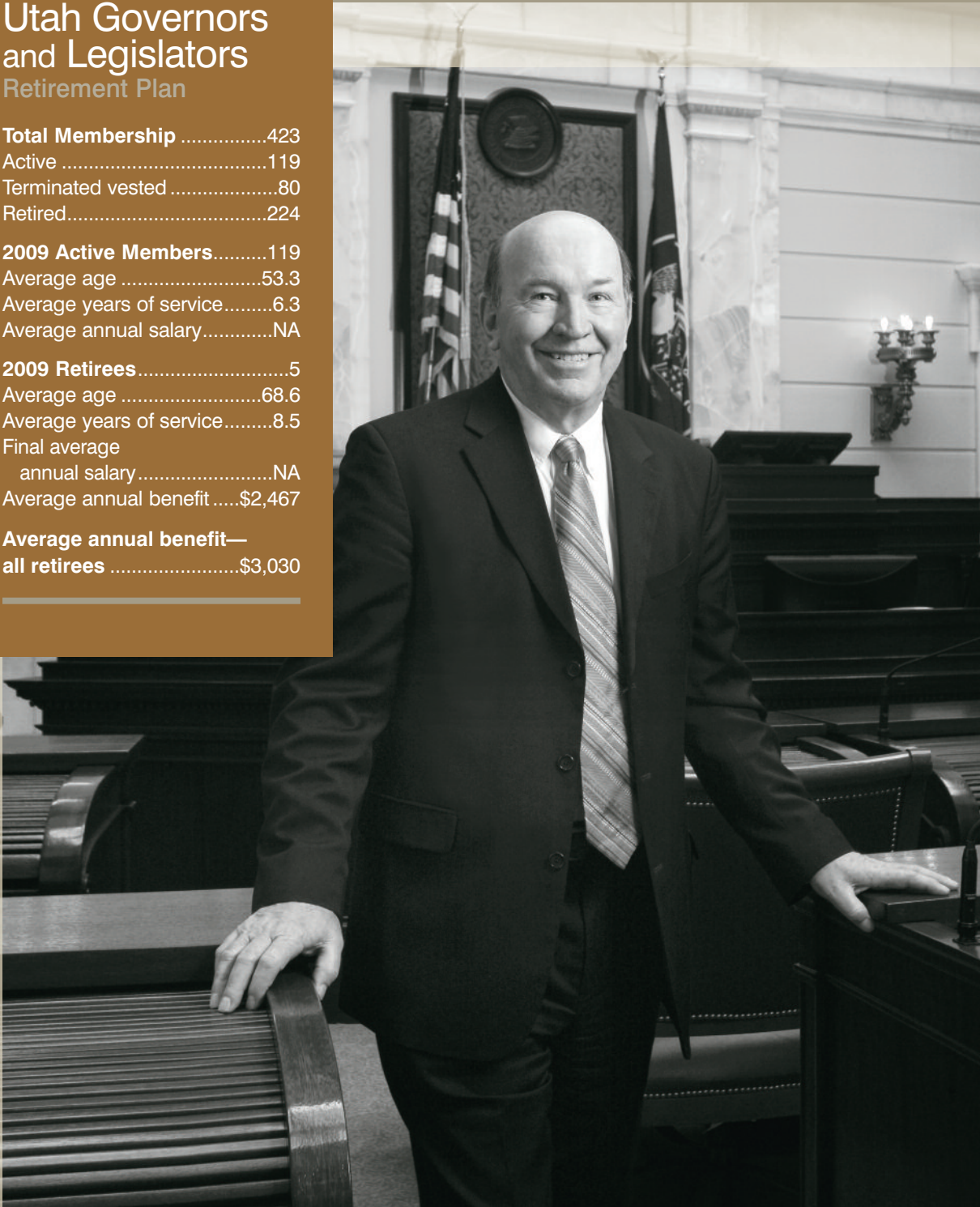
**Total Membership** .....423  
Active .....119  
Terminated vested .....80  
Retired.....224

**2009 Active Members**.....119  
Average age .....53.3  
Average years of service.....6.3  
Average annual salary.....NA

**2009 Retirees**.....5  
Average age .....68.6  
Average years of service.....8.5  
Final average  
annual salary.....NA  
Average annual benefit.....\$2,467

**Average annual benefit—  
all retirees** .....\$3,030

---



*Pictured: Brent H. Goodfellow, Utah State Senate, District 12, Salt Lake / Tooele Counties*

# Defined Contribution Savings Plans Highlights

December 31, 2009

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

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

Each year the number of employees participating in these plans increases. Individuals may participate in more than one plan. As of December 31, 2009, the number of participants by investment plan is shown below.

Annualized rates of returns for the Investment Funds are shown on page 111.

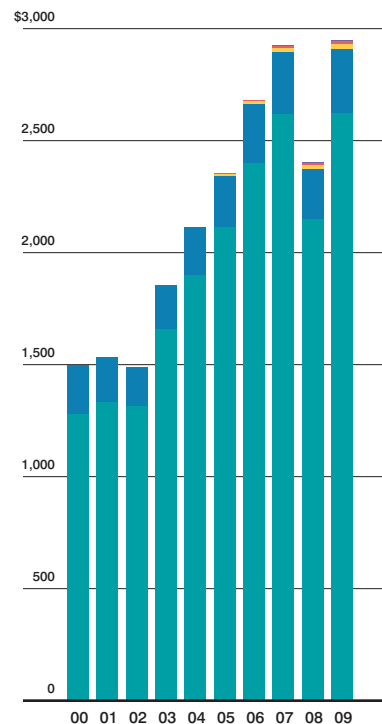
The Plans provide the following benefits:

- Convenient, automatic payroll deduction
- Eleven investment options
- Brokerage window option
- Tax deferred and/or tax free savings
- Increase or decrease contributions as often as every pay period
- Roll over funds into any eligible plan or IRA upon termination or retirement
- Upon death, funds transfer to beneficiaries (except HRA)
- Immediate vesting
- No sales commissions
- Low investment and administrative fees
- Plan Loans (401(k) and 457)
- Hardship and emergency withdrawals

## Membership Information

at December 31, 2009

|   | 401(k)          | 457           | Roth IRA       | Traditional IRA | HRA          |
|---|-----------------|---------------|----------------|-----------------|--------------|
| <b>Number of active employees eligible to participate</b>         | <b>101,248</b>  | <b>87,856</b> | <b>105,106</b> | <b>105,106</b>  | <b>1,079</b> |
| <b>Employee contributions (excluding employer contributions):</b> |                 |               |                |                 |              |
| Number of employees contributing                                  | 44,868          | 8,818         | 1,351          | 63              | NA           |
| Percent of eligible employees contributing                        | 44.3%           | 10.0%         | 1.3%           | 0.1%            | NA           |
| Average percent of salary deferred by employees                   | 5.8%            | 6.5%          | 4.0%           | 2.9%            | NA           |
| <b>Total participants</b>   | <b>144,013</b>  | <b>16,575</b> | <b>1,949</b>   | <b>494</b>      | <b>1,079</b> |
| <b>Average participant account balance</b>                        | <b>\$18,105</b> | <b>17,111</b> | <b>6,284</b>   | <b>45,488</b>   | <b>2,769</b> |



## Defined Contributions Member Balances

| (in millions)   | 2000           | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         |
|-----------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| HRA             | \$ —           | —            | —            | —            | —            | —            | —            | 1            | 2            | 3            |
| Roth IRA        | —              | —            | —            | —            | —            | 1            | 4            | 6            | 7            | 12           |
| Traditional IRA | —              | —            | —            | —            | —            | 7            | 12           | 18           | 19           | 22           |
| 457             | 216            | 200          | 172          | 196          | 213          | 230          | 259          | 277          | 229          | 284          |
| 401(k)          | 1,277          | 1,330        | 1,313        | 1,653        | 1,891        | 2,104        | 2,389        | 2,604        | 2,132        | 2,608        |
| <b>Totals</b>   | <b>\$1,493</b> | <b>1,530</b> | <b>1,485</b> | <b>1,849</b> | <b>2,104</b> | <b>2,342</b> | <b>2,664</b> | <b>2,906</b> | <b>2,389</b> | <b>2,929</b> |

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

# Financial Section

|  |    |
|--|----|
| Independent Auditors' Report   | 26 |
| Independent Auditors' Report on Internal Control<br>Over Financial Reporting and on Compliance | 27 |
| Management's Discussion and Analysis   | 28 |
| Basic Financial Statements   | 44 |
| Required Supplementary Information   | 74 |
| Individual Retirement Systems' Schedules by Division   | 78 |
| Schedules of Administrative and Investment Expenses  | 98 |



# Independent Auditors' Report

## Deloitte.

Deloitte & Touche LLP  
Suite 1900  
299 South Main Street  
Salt Lake City, UT 84111  
USA

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

### INDEPENDENT AUDITORS' REPORT

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 and for the year ended December 31, 2009, 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 (and other employee benefit) trust funds of Utah Retirement Systems, administered by the Utah State Retirement Board as of December 31, 2009, and the changes in plan net assets of the pension (and other employee benefit) trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the financial statements include investments that are not listed on national exchanges or for which quoted market prices are not available. These investments include limited partnerships, absolute return strategies, and investments in real estate. Such investments totaled \$6.6 billion (34.8% of total assets) at December 31, 2009. Where a publicly listed price is not available, the management of Utah Retirement Systems uses alternative sources of information including audited financial

statements, unaudited interim reports, independent appraisals, and similar evidence to determine fair values of the investments.

Management's Discussion and Analysis and the Schedules of Funding Progress and of Employer Contributions, listed in the foregoing table of contents, are not required parts of the basic financial statements but are supplementary information required by 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 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 April 16, 2010, on our consideration of Utah Retirement Systems' internal control over financial reporting and our tests of their compliance with certain provisions of laws and regulations 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 considered in assessing the results of our audit.

*Deloitte & Touche LLP*

April 16, 2010

Member of  
Deloitte Touche Tomatsu



Deloitte & Touche LLP  
Suite 1900  
299 South Main Street  
Salt Lake City, UT 84111  
USA

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

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

Utah State Retirement Board:

We have audited the basic financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board, as of and for the year ended December 31, 2009, and have issued our report thereon dated April 16, 2010, which included an explanatory paragraph regarding the fair value of investments where a publically listed price is not available. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Utah Retirement System's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving internal control over financial reporting that we have reported to the management of Utah Retirement Systems in a separate letter dated April 16, 2010.

**Compliance and Other Matters**

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

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

*Deloitte & Touche LLP*

April 16, 2010

Member of  
Deloitte Touche Tomatsu

# 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, 2009. It is presented as a narrative overview and analysis. Please read it in conjunction with the Letter of Transmittal included in the Introductory Section, the financial statements and other information which are presented in the Financial Section of this Comprehensive Annual Financial Report.

URS is responsible for administering retirement and defined contribution benefits for State, local government and public education employees in the State of Utah. URS is composed of six defined benefit pension systems (Systems) and five 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 Utah Governors and Legislators Retirement Plan (Governors and Legislative Plan). The five defined contribution plans (Plans) are the 401(k), 457, Roth and Traditional IRA Plans, and Health Reimbursement Arrangement. All of these Systems and Plans are defined as pension (and other employee benefit) trust funds, which are fiduciary funds. Throughout this discussion and analysis units of measure (i.e. billions, millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

## Management's Discussion and Analysis (Continued)

**Financial Highlights**

- The URS Defined Benefit Pension Systems' combined total net assets increased by \$1.8 billion, or 11.5 percent during calendar year 2009. The increase was primarily due to the increase in the markets.
- The URS Defined Benefit Pension Systems' rate of return on investments during calendar year 2009 was 12.88 percent compared with the calendar year 2008 rate of return of a negative 22.31 percent. The increase in rate of return was due primarily to the increase in market performance in 2009.
- The URS Defined Benefit Pension Systems were actuarially funded at an average of 86.6 percent as of January 1, 2009, a decrease from the comparative average of 95.1 percent as of January 1, 2008. During 2009 the funded ratio decreased from 86.6 percent at the beginning of the year to 85.7 percent at December 31, 2009, due to lower than expected investment results over the previous five years.
- The Defined Contribution Plans' net assets increased \$539 million during calendar year 2009 primarily due to investment gains.
- The Defined Contribution Plans' rates of return for investment options ranged from a high of 36.0 percent to a low of 0.1 percent compared to prior year investment option returns of a high of 4.7 percent and a low of negative 43.4 percent.

**Overview of the Financial Statements**

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

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

Collectively, this information presents the combined net assets held in trust for pension benefits for each of the funds administered by URS as of December 31, 2009. 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, 2009, basic financial statements are presented for the fiduciary funds administered by URS. Fiduciary funds are used to account for resources held for the benefit of the participants outside of URS. The fiduciary funds are comprised of eleven pension (and other employee benefit) trust funds which consist of six defined benefit systems and five defined contribution plans.

## Management's Discussion and Analysis (Continued)

- The Statements of Fiduciary Net Assets are presented for the pension trust funds at December 31, 2009, with combined total comparative information at December 31, 2008. 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, 2009, with combined total comparative information for the year ended December 31, 2008. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries, for calendar years 2009 and 2008.

### 2) Notes to the Basic Financial Statements

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

- Note 1 provides a general description of URS as well as a description of each of the Systems and Plans administered by URS and a summary of benefits. Information regarding employer and member participation in the Systems and Plans administered by URS is also provided.
- Note 2 provides a summary of significant accounting policies including the basis of accounting, investment accounting policies, management's use of estimates, information regarding the implementation of new accounting pronouncements, and other significant accounting policies.
- Note 3 describes deposits, investment risk disclosures, and additional information about cash, securities lending, and derivatives.
- Note 4 explains property and equipment of URS including depreciation and net carrying amounts.
- Note 5 provides information about actuarial values and methods for the defined benefit systems administered by URS.
- Note 6 provides information about contributions to the defined benefit systems administered by URS.
- Note 7 provides information about the funded status of the systems administered by URS.
- Note 8 explains transfers to or from affiliated systems.
- Note 9 describes supplemental benefits.
- Note 10 provides information about litigation.
- Note 11 describes commitments for investment funding.
- Note 12 provides information about pension plan participation.
- Note 13 provides information about URS post employment benefits.
- Note 14 describes compensated absences and insurance reserves.
- Note 15 describes required supplementary information.
- Note 16 provides information about risk management of URS.
- Note 17 provides information about real estate liabilities.

### 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.



## Management's Discussion and Analysis (Continued)



## 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, 2009, URS Defined Benefit Systems had total net assets of \$17.7 billion, an increase of \$1.8 billion from calendar year 2008 investment totals. The combined investment portfolio experienced a return of 12.9 percent compared with the URS investment benchmark return of 16.6 percent. Investment results over time compared with URS benchmarks are presented on page 106 in the Investment Section.

Since the investment gain in all of the retirement systems was about 12.9 percent of net assets, further investment performance will not be evaluated in each respective system.

### Equities

At December 31, 2009, URS Defined Benefit Systems held \$7.1 billion in U.S. and international equity securities, an increase of \$2.0 billion from year 2008. U.S. equity and international equity securities had returns of 33.4 percent and 39.0 percent respectively for calendar year 2009, compared to URS benchmark returns of 28.3 percent and 39.6 percent respectively.

### Debt Securities

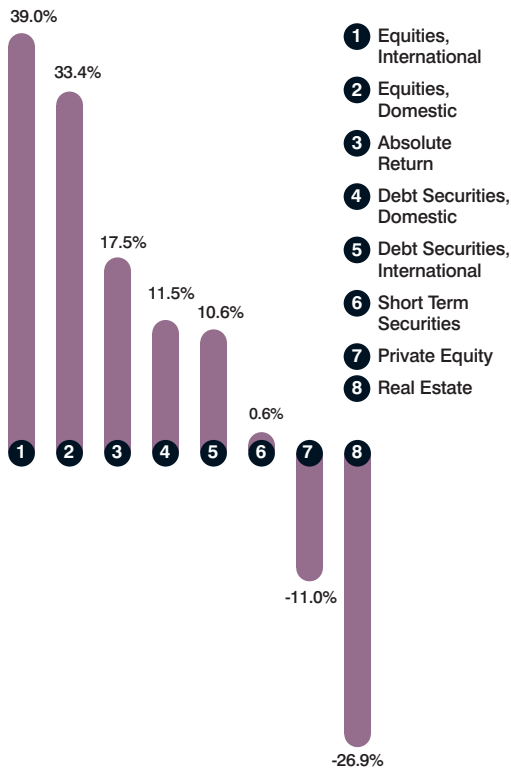
At December 31, 2009, URS Defined Benefit Systems held \$4.5 billion in U.S. debt and international debt securities, a decrease of \$56.7 million from year 2008. U.S. debt securities returned 11.5 percent while international debt securities returned 10.6 percent in calendar year 2009 compared with URS benchmark returns of 5.9 percent and 6.9 percent respectively.

### Real Estate

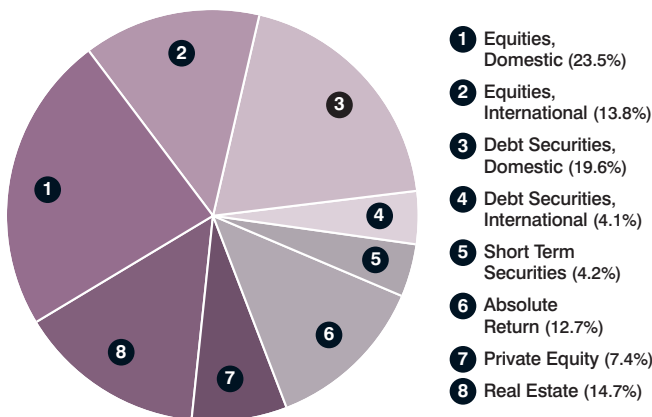
At December 31, 2009, URS Defined Benefit Systems held \$2.8 billion in real estate investments, a decrease of \$481 million from year 2008. Real estate investments returned a negative 26.9 percent in calendar year 2009 compared with URS benchmark return of a negative 9.5 percent.

Management's Discussion and Analysis (Continued)

**Defined Benefit Systems  
Investment Rates of Return  
by Investment Type for 2009**



**Defined Benefit Systems  
Investments at Fair Value**



**Private Equity**

At December 31, 2009, URS Defined Benefit Systems held \$1.4 billion in private equity investments, a decrease of \$31.5 million from year 2008. Private equity investments returned a negative 11.0 percent in calendar year 2009. The URS benchmark for private equity investments was 32.4 percent.

**Short Term**

At December 31, 2009, URS Defined Benefit Systems held \$804.1 million in short term investments, a decrease of \$236.6 million from year 2008. Short term investments returned 0.58 percent in calendar year 2009, which compared to the URS benchmark return of 0.21 percent.

**Absolute Return**

At December 31, 2009, URS Defined Benefit Systems held \$2.4 billion in absolute return investments, an increase of \$314.0 million from year 2008. Absolute return investments returned 17.5 percent in calendar year 2009 compared with URS benchmark return of 5.2 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, 2009, the Systems had \$1.4 billion on loan secured by collateral of \$1.4 billion. For calendar year 2009, net securities lending income to the Systems amounted to \$7.2 million, a decrease of \$7.7 million over calendar year 2008. The decrease in security lending revenue for year 2009 represents mainly a decrease in demand by brokers to borrow available securities.

## Management's Discussion and Analysis (Continued)



## Analysis of the Defined Benefit Systems

### Noncontributory System

The Noncontributory System provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2009, totaled \$14.2 billion, an increase of \$1.4 billion (11.3 percent) from \$12.7 billion at December 31, 2008.

Additions to the Noncontributory System net assets held in trust for benefits include employer contributions, investment income and transfers. For the calendar year 2009, member and employer contributions increased from \$536.8 million for calendar year 2008 to \$549.4 million, an increase of \$12.6 million (2.3 percent). Contributions increased because salaries and contribution rates increased. The system recognized a net investment gain of \$1.7 billion for calendar year 2009 compared with net investment loss of \$3.9 billion for calendar year 2008. The increase in investment gain for 2009 compared to 2008 was due to the higher rate of return realized in 2009.

Deductions from the Noncontributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the calendar year 2009, benefits amounted to \$725.9 million, an increase of \$63.6 million (9.6 percent) over calendar year 2008. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the calendar year 2009, the costs of administering the system totaled \$8.3 million, a decrease of \$469 thousand (5.3 percent) from calendar year 2008.

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, 2009, the funded status of the system decreased to 86.5 percent from 95.1 percent at January 1, 2008. The amount by which the Noncontributory System actuarial assets were under actuarial benefit liabilities was \$2.5 billion at January 1, 2009, compared with being underfunded by \$826.1 million at January 1, 2008. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment results over the previous five years.

### Contributory System

The Contributory system provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2009, totaled \$937.6 million, an increase of \$102.2 million (12.2 percent) from \$835.4 million at December 31, 2008.

Additions to the Contributory System net assets held in trust for benefits include employer and member contributions, investment income and transfers. For calendar year 2009, member and employer contributions decreased from \$20.4 million for calendar year 2008 to \$19.5 million, a decrease of \$927 thousand (4.5 percent). Contributions decreased because of the decrease in active employees. 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

## Management's Discussion and Analysis (Continued)

a net investment gain of \$112.6 million for calendar year 2009 compared with net investment loss of \$261.2 million for the calendar year 2008. The increase in investment gain for 2009 compared to 2008 was due to the higher rate of return realized in 2009.

Deductions from the Contributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For calendar year 2009, benefits amounted to \$67.0 million, an increase of \$3 million (5.4 percent) from calendar year 2008. The increase in benefit payments was due to the increase in the number of retired members in the system. For calendar year 2009, the costs of administering the system totaled \$555 thousand, a decrease of \$50 thousand (8.3 percent) from calendar year 2008.

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, 2009, the funded status of the system decreased to 90.1 percent from 94.2 percent at January 1, 2008. The amount by which the Contributory System actuarial assets were under actuarial benefit liabilities was \$120.9 million at January 1, 2009, compared with \$68.1 million at January 1, 2008. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment returns over the previous five years.

### 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, 2009, amounted to \$1.8 billion, an increase of \$210.7 million (13.1 percent) from \$1.6 billion at December 31, 2008.

Additions to the Public Safety System net assets held in trust for benefits include employer contributions, investment income and transfers. For calendar year 2009, member and employer contributions increased from \$96.1 million for calendar year 2008 to \$100.3 million, an increase of \$4.2 million (4.4 percent). Contributions increased because salaries and contribution rates increased. The system recognized a net investment gain of \$213.6 million for calendar year 2009 compared with net investment loss of \$491.0 million for calendar year 2008. The increase in investment gain for 2009 compared to 2008 was due to the higher rate of return realized in 2009.

Deductions from the Public Safety System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2009, benefits amounted to \$106.7 million, an increase of \$6.8 million (6.8 percent) over calendar year 2008. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For calendar year 2009, the costs of administering the system totaled \$1.1 million, a decrease of \$36 thousand (3.1 percent) from calendar year 2008.

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, 2009, the funded status of the system decreased to 81.6 percent from 90.7 percent at January 1, 2008. The amount by which the Public Safety System actuarial assets were under actuarial benefit liabilities was \$456.1 million at January 1, 2009, compared with being underfunded by \$209.2 million at January 1, 2008. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment returns over the previous five years.

## Management's Discussion and Analysis (Continued)

**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, 2009, amounted to \$682.2 million, an increase of \$69.5 million (11.3 percent) from \$612.7 million at December 31, 2008.

Additions to the Firefighters System net assets held in trust for benefits consist of employer contributions, including insurance premium taxes, investment income and transfers. For calendar year 2009, member and employer contributions increased from \$20.6 million for calendar year 2008 to \$27.4 million, an increase of \$6.8 million (32.9 percent). Contributions increased because insurance premium taxes increased. The system recognized a net investment gain of \$79.8 million for calendar year 2009 compared with net investment loss of \$188.1 million for calendar year 2008. The increase in investment gain for 2009 compared to 2008 was due to the higher rate of return realized in 2009.

Deductions from the Firefighters System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2009, benefits amounted to \$38.5 million, an increase of \$2.9 million (8.1 percent) over calendar year 2008. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For calendar year 2009, the costs of administering the system totaled \$354 thousand, a decrease of \$25 thousand (6.6 percent) from calendar year 2008.

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, 2009, the funded status of the system decreased to 98.6 percent from 107.5 percent at January 1, 2008. The amount by which the Firefighters System actuarial assets were under actuarial benefit liabilities was \$10.8 million at January 1, 2009, compared with being over funded by \$54.8 million at January 1, 2008. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment returns over the previous five years.

**Judges System**

The Judges System provides retirement benefits to judges in the State of Utah who are eligible to participate in the system. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2009, amounted to \$111.7 million, an increase of \$10.8 million (10.7 percent) from \$100.9 million at December 31, 2008.

Additions to the Judges System net assets held in trust for benefits consist of employer contributions, including court fees, investment income and transfers. For calendar year 2009, member and employer contributions increased from \$3.9 million for calendar year 2008 to \$4.3 million, an increase of \$311 thousand (7.9 percent). Contributions increased because the contribution rate and court fees increased. The system recognized a net investment gain of \$13.2 million for the calendar year 2009 compared with net investment loss of \$31.1 million for calendar year 2008. The increase in investment gain for 2009 compared to 2008 was due to the higher rate of return realized in 2009.

Deductions from the Judges System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2009, benefits amounted to \$7.6 million, an increase of \$1.0 million (15.4 percent) over calendar year 2008. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For calendar year 2009, the costs of administering the system totaled \$66 thousand, a slight decrease over the preceding year.

An actuarial valuation of the Judges System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2009, the funded status of the system decreased to 86.4 percent from 95.9 percent at January 1, 2008. The amount by which the Judges System actuarial assets were under actuarial benefit liabilities was \$19.8 million at January 1, 2009, compared with \$5.5 million at January 1, 2008. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment returns over the previous five years.

## Management's Discussion and Analysis (Continued)

**Fiduciary Net Assets — Pension Trust Funds**

December 31

*(dollars in thousands)*

|  | Noncontributory System |                   |                   | Contributory System |                  |                  | Public Safety System |                  |                  |
|--|------------------------|-------------------|-------------------|---------------------|------------------|------------------|----------------------|------------------|------------------|
|  | 2009                   | 2008              | 2007              | 2009                | 2008             | 2007             | 2009                 | 2008             | 2007             |
| <b>Assets:</b>                         |                        |                   |                   |                     |                  |                  |                      |                  |                  |
| Cash and receivables                   | \$ 263,733             | 337,079           | 361,373           | 16,231              | 20,836           | 23,209           | 33,656               | 41,920           | 45,097           |
| Investments at fair value              | 15,229,900             | 14,055,461        | 18,374,368        | 1,010,051           | 924,711          | 1,242,142        | 1,963,527            | 1,784,794        | 2,310,523        |
| Invested securities lending collateral | 1,149,384              | 884,518           | 1,452,735         | 76,227              | 58,192           | 98,207           | 148,184              | 112,318          | 182,678          |
| Property and equipment                 | 256                    | 421               | 652               | 17                  | 28               | 44               | 34                   | 52               | 82               |
| <b>Total assets</b>                    | <b>16,643,273</b>      | <b>15,277,479</b> | <b>20,189,128</b> | <b>1,102,526</b>    | <b>1,003,767</b> | <b>1,363,602</b> | <b>2,145,401</b>     | <b>1,939,084</b> | <b>2,538,380</b> |
| <b>Liabilities:</b>                    |                        |                   |                   |                     |                  |                  |                      |                  |                  |
| Securities lending liability           | 1,149,384              | 884,518           | 1,452,735         | 76,227              | 58,192           | 98,207           | 148,184              | 112,318          | 182,678          |
| Investment accounts and other payables | 1,341,327              | 1,678,590         | 1,984,589         | 88,712              | 110,205          | 134,079          | 172,459              | 212,709          | 249,400          |
| <b>Total liabilities</b>               | <b>2,490,711</b>       | <b>2,563,108</b>  | <b>3,437,324</b>  | <b>164,939</b>      | <b>168,397</b>   | <b>232,286</b>   | <b>320,643</b>       | <b>325,027</b>   | <b>432,078</b>   |
| <b>Total net assets</b>                | <b>\$14,152,562</b>    | <b>12,714,371</b> | <b>16,751,804</b> | <b>937,587</b>      | <b>835,370</b>   | <b>1,131,316</b> | <b>1,824,758</b>     | <b>1,614,057</b> | <b>2,106,302</b> |

**Changes in Fiduciary Net Assets — Pension Trust Funds**

Year Ended December 31

*(dollars in thousands)*

|  | Noncontributory System |                    |                  | Contributory System |                  |               | Public Safety System |                  |                |
|--|------------------------|--------------------|------------------|---------------------|------------------|---------------|----------------------|------------------|----------------|
|  | 2009                   | 2008               | 2007             | 2009                | 2008             | 2007          | 2009                 | 2008             | 2007           |
| <b>Additions:</b>                        |                        |                    |                  |                     |                  |               |                      |                  |                |
| Contributions                            | \$ 549,407             | 536,843            | 506,048          | 19,520              | 20,447           | 20,908        | 100,285              | 96,058           | 85,509         |
| Investment income (loss)                 | 1,667,478              | (3,888,624)        | 1,041,414        | 112,626             | (261,227)        | 71,640        | 213,627              | (491,024)        | 130,655        |
| Transfers from affiliated systems        | —                      | —                  | 7,173            | 37,633              | 9,008            | —             | 4,578                | 3,727            | 2,323          |
| <b>Total additions</b>                   | <b>2,216,885</b>       | <b>(3,351,781)</b> | <b>1,554,635</b> | <b>169,779</b>      | <b>(231,772)</b> | <b>92,548</b> | <b>318,490</b>       | <b>(391,239)</b> | <b>218,487</b> |
| <b>Deductions:</b>                       |                        |                    |                  |                     |                  |               |                      |                  |                |
| Pension benefits                         | 723,052                | 659,792            | 609,526          | 64,849              | 62,096           | 61,678        | 106,272              | 98,944           | 91,864         |
| Refunds                                  | 2,882                  | 2,514              | 3,443            | 2,158               | 1,473            | 2,318         | 390                  | 899              | 723            |
| Administrative expenses                  | 8,340                  | 8,809              | 8,345            | 555                 | 605              | 588           | 1,127                | 1,163            | 1,090          |
| Transfers to affiliated systems          | 44,420                 | 14,537             | —                | —                   | —                | 12,064        | —                    | —                | —              |
| <b>Total deductions</b>                  | <b>778,694</b>         | <b>685,652</b>     | <b>621,314</b>   | <b>67,562</b>       | <b>64,174</b>    | <b>76,648</b> | <b>107,789</b>       | <b>101,006</b>   | <b>93,677</b>  |
| <b>Increase (decrease) in net assets</b> | <b>\$ 1,438,191</b>    | <b>(4,037,433)</b> | <b>933,321</b>   | <b>102,217</b>      | <b>(295,946)</b> | <b>15,900</b> | <b>210,701</b>       | <b>(492,245)</b> | <b>124,810</b> |

Management's Discussion and Analysis (Continued)

| Firefighters System |         |         | Judges System |         |         | Utah Governors and Legislators Retirement Plan |        |        | Total Defined Benefit Pension Plans |            |            | 2009           | 2008           |
|---------------------|---------|---------|---------------|---------|---------|--|--------|--------|-------------------------------------|------------|------------|----------------|----------------|
| 2009                | 2008    | 2007    | 2009          | 2008    | 2007    | 2009   | 2008   | 2007   | 2009                                | 2008       | 2007       | Percent Change | Percent Change |
| 21,646              | 15,006  | 19,194  | 2,102         | 2,629   | 2,977   | 148  | 208    | 240    | 337,516                             | 417,678    | 452,090    | (19.2)%        | (7.6)%         |
| 724,163             | 678,539 | 891,700 | 120,178       | 111,560 | 147,281 | 9,696  | 9,612  | 13,402 | 19,057,515                          | 17,564,677 | 22,979,416 | 8.5            | (23.6)         |
| 54,652              | 42,701  | 70,500  | 9,070         | 7,020   | 11,645  | 732  | 605    | 1,060  | 1,438,249                           | 1,105,354  | 1,816,825  | 30.1           | (39.2)         |
| 13                  | 21      | 32      | 2             | 3       | 5       | —  | —      | —      | 322                                 | 525        | 815        | (38.7)         | (35.6)         |
| 800,474             | 736,267 | 981,426 | 131,352       | 121,212 | 161,908 | 10,576   | 10,425 | 14,702 | 20,833,602                          | 19,088,234 | 25,249,146 | 9.1            | (24.4)         |
| 54,652              | 42,701  | 70,500  | 9,070         | 7,020   | 11,645  | 732  | 605    | 1,060  | 1,438,249                           | 1,105,354  | 1,816,825  | 30.1           | (39.2)         |
| 63,603              | 80,867  | 96,252  | 10,556        | 13,297  | 15,899  | 851  | 1,145  | 1,446  | 1,677,508                           | 2,096,813  | 2,481,665  | (20.0)         | (15.5)         |
| 118,255             | 123,568 | 166,752 | 19,626        | 20,317  | 27,544  | 1,583  | 1,750  | 2,506  | 3,115,757                           | 3,202,167  | 4,298,490  | (2.7)          | (25.5)         |
| 682,219             | 612,699 | 814,674 | 111,726       | 100,895 | 134,364 | 8,993  | 8,675  | 12,196 | 17,717,845                          | 15,886,067 | 20,950,656 | 11.5%          | (24.2)%        |

| Firefighters System |           |        | Judges System |          |        | Utah Governors and Legislators Retirement Plan |         |      | Total Defined Benefit Pension Plans |             |           | 2009           | 2008           |
|---------------------|-----------|--------|---------------|----------|--------|--|---------|------|-------------------------------------|-------------|-----------|----------------|----------------|
| 2009                | 2008      | 2007   | 2009          | 2008     | 2007   | 2009   | 2008    | 2007 | 2009                                | 2008        | 2007      | Percent Change | Percent Change |
| 27,432              | 20,647    | 22,991 | 4,251         | 3,940    | 3,223  | —  | —       | —    | 700,895                             | 677,935     | 638,679   | 3.4            | 6.1%           |
| 79,811              | (188,095) | 50,738 | 13,214        | (31,053) | 8,401  | 1,098  | (2,763) | 780  | 2,087,854                           | (4,862,786) | 1,303,628 | (142.9)        | (473.0)        |
| 1,173               | 1,491     | 1,709  | 1,027         | 294      | 841    | 9  | 17      | 18   | 44,420                              | 14,537      | 12,064    | 205.6          | 20.5           |
| 108,416             | (165,957) | 75,438 | 18,492        | (26,819) | 12,465 | 1,107  | (2,746) | 798  | 2,833,169                           | (4,170,314) | 1,954,371 | (167.9)        | (313.4)        |
| 38,311              | 35,355    | 33,936 | 7,595         | 6,580    | 6,335  | 784  | 763     | 758  | 940,863                             | 863,530     | 804,097   | 9.0            | 7.4            |
| 231                 | 284       | 248    | —             | —        | —      | —  | 7       | 2    | 5,661                               | 5,177       | 6,734     | 9.3            | (23.1)         |
| 354                 | 379       | 356    | 66            | 70       | 65     | 5  | 5       | 5    | 10,447                              | 11,031      | 10,449    | (5.3)          | 5.6            |
| —                   | —         | —      | —             | —        | —      | —  | —       | —    | 44,420                              | 14,537      | 12,064    | 205.6          | 20.5           |
| 38,896              | 36,018    | 34,540 | 7,661         | 6,650    | 6,400  | 789  | 775     | 765  | 1,001,391                           | 894,275     | 833,344   | 12.0           | 7.3            |
| 69,520              | (201,975) | 40,898 | 10,831        | (33,469) | 6,065  | 318  | (3,521) | 33   | 1,831,778                           | (5,064,589) | 1,121,027 | (136.2)        | (551.8)%       |

## Management's Discussion and Analysis (Continued)

### Utah Governors and Legislators Retirement Plan

The Governors and Legislators Retirement Plan provides retirement benefits to governors and legislators of the State of Utah. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2009, amounted to \$9.0 million, an increase of \$318 thousand (3.7 percent) from \$8.7 million at December 31, 2008.

Additions to the Governors and Legislators Retirement 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 funded status. The system recognized a net investment gain of \$1.1 million for calendar year 2009 compared with net investment loss of \$2.8 million for calendar year 2008. The increase in investment gain for 2009 compared to 2008 was due to the higher rate of return realized in 2009.

Deductions from the Governors and Legislators Retirement Plan net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2009, retirement benefits amounted to \$784 thousand, an increase of \$14 thousand (1.8 percent) from calendar year 2008. The increase in benefit payments was due to an increase in the number of benefit recipients. For calendar year 2009, the costs of administering the system totaled \$5 thousand, a slight increase over the preceding year.

An actuarial valuation of the Governors and Legislators Retirement Plan assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2009, the funded status of the system decreased to 98.7 percent from 119.0 percent at January 1, 2008. The amount by which the Governors and Legislators Retirement Plan actuarial assets were under actuarial benefit liabilities was \$141 thousand at January 1, 2009, compared with being over funded by \$1.9 million at January 1, 2008. The decrease in funded status as of the last actuarial valuation was a result of lower than expected investment returns over the previous five years.



## Actuarial Valuations and Funding Progress

Actuarial valuation of each defined benefit system is performed annually. At January 1, 2009, the date of the most recent actuarial valuation, the average funded ratio of the Systems was 86.6 percent. This was a decrease from the Systems' January 1, 2008, valuation average funded ratio of 95.1 percent, a decrease in funded status of 8.5 percent. As of December 31, 2009, the Systems' average funded ratio had decreased to 85.7 percent. This was a decrease in the Systems' funded ratio of 0.9 percent for calendar year 2009. The funded ratio decrease for all systems was the result of lower than expected investment returns over the previous five years.

At December 31, 2009, the Systems' underfunded actuarial accrued liability was \$3.5 billion. This was a net increase in the unfunded position of \$405.9 million for the year. At December 31, 2009, the difference between the actuarial value of assets and market value of assets was \$3.1 billion in actuarially deferred losses. This was a decrease of \$870.9 million in actuarially deferred losses from the \$4.0 billion in actuarially deferred losses at January 1, 2009. These actuarially deferred losses will be recognized by the actuary over the next four years.

In 2009 two changes were made to the actuarial valuation. The first change was to increase the amortization period for amortizing the unfunded actuarial accrued liability (UAAL) from 20 years to 25 years. This funding period will be closed (i.e. the funding period will decrease by one year each year) until the funding period reaches 20 years, at which time the period will once again revert to an open 20 year amortization period. The second change was to widen the corridor used to determine the actuarial value of assets from 80% – 120% to 75% – 125% of market value. This change allows more of the 2008 investment losses to be smoothed into the actuarial value of assets over the next four years rather than being recognized in this valuation.



## Management's Discussion and Analysis (Continued)



## Analysis of the Defined Contribution Savings Plans

### 401(k) Defined Contribution Plan

The 401(k) Plan is established under section 401(k) of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2009, amounted to \$2.6 billion, an increase of \$475.3 million (22.3 percent) over net assets at December 31, 2008.

Additions to the 401(k) Plan net assets held in trust for benefits include contributions, rollovers, and investment income. For calendar year 2009, contributions decreased from those of calendar year 2008 from \$230.0 million to \$222.4 million, a decrease of \$7.6 million (3.3 percent). Contributions decreased because of decreased participation. The plan recognized a net investment gain of \$387.0 million for calendar year 2009 compared with a net investment loss of \$554.2 million for calendar year 2008.

Deductions from the 401(k) Plan net assets include participant and beneficiary refunds, and administrative expenses. For calendar year 2009, refunds amounted to \$127.7 million, a decrease of \$14.2 million (10.0 percent) over calendar year 2008. The decrease in refunds was due to a decrease in withdrawals for calendar year 2009. For calendar year 2009, the costs of administering the plan amounted to \$6.3 million, an increase of \$237 thousand over calendar year 2008.

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

### 457 Defined Contribution Plan

The 457 Plan is established under Section 457(b) of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2009, amounted to \$283.6 million, an increase of \$54.1 million (23.6 percent) over net assets at December 31, 2008.

Additions to the 457 Plan net assets held in trust for benefits include contributions and investment income. For calendar year 2009, contributions decreased from those of calendar year 2008 from \$29.0 million to \$26.6 million or a decrease of \$2.4 million (8.3 percent). Contributions decreased because of decreased participation. The plan recognized a net investment gain of \$41.6 million for calendar year 2009 compared with a net investment loss of \$57.3 million for the calendar year 2008.

Deductions from the 457 Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2009, refunds amounted to \$13.3 million, a decrease of \$5.3 million (28.6 percent) over calendar year 2008. The decrease in refunds was due to a decrease in withdrawals for calendar year 2009. For calendar year 2009, the costs of administering the plan amounted to \$699 thousand, an increase of \$34 thousand over calendar year 2008.

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

## Management's Discussion and Analysis (Continued)

**Roth IRA Plan**

The Roth IRA is a "deemed IRA" authorized by section 408(q) of the Internal Revenue Code, and governed by section 408A of the code. This plan allows participants to make after-tax contributions, while the earnings may be withdrawn tax-free (for qualified distributions). The plan net assets held in trust for benefits at December 31, 2009, amounted to \$12.2 million, an increase of \$5.2 million (72.8 percent) over net assets at December 31, 2008.

Additions to the Roth IRA Plan include contributions, transfers from other Roth IRAs, conversions from traditional IRAs, and investment earnings. For calendar year 2009, contributions increased from those of calendar year 2008 from \$3.3 million to \$3.6 million (8.3 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$2.0 million for calendar year 2009 compared with a net investment loss of \$2.1 million for calendar year 2008.

Deductions from the Roth IRA Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2009, refunds amounted to \$445 thousand, a decrease of \$79 thousand (15.1 percent) over calendar year 2008. For calendar year 2009, the costs of administering the plan amounted to \$26 thousand, an increase of \$7 thousand over calendar year 2008.

**Traditional IRA Plan**

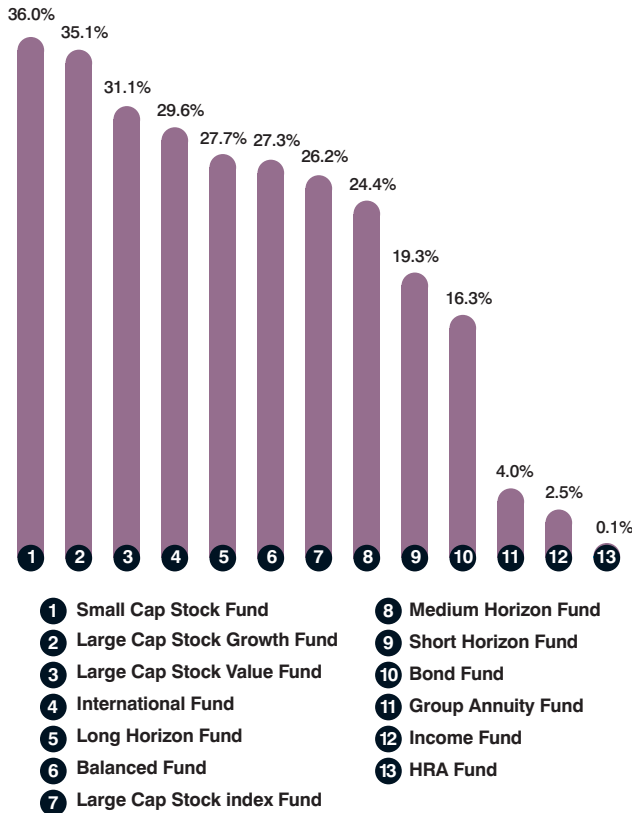
The traditional IRA is a "deemed IRA" authorized by section 408(q) of the Internal Revenue Code, and governed by section 408 of the code. This plan allows participants to make after-tax contributions and possibly deduct all or a portion of the contributions from their current taxable income. This plan also allows participants to consolidate many other eligible plan assets when they become eligible for rollover (such as 401(k), 457, and other IRAs). Participants may also convert traditional IRA funds into a Roth IRA. The plan net assets held in trust for benefits at December 31, 2009, amounted to \$22.5 million, an increase of \$3.3 million (17.1 percent) over net assets at December 31, 2008.

Additions to the traditional IRA Plan include contributions, rollovers, and investment earnings. For calendar year 2009, contributions decreased from those of calendar year 2008 from \$7.43 million to \$3.2 million (57.5 percent). Contributions decreased because of decreased rollovers. The plan recognized a net investment gain of \$2.8 thousand for calendar year 2009 compared with a net investment loss of \$3.5 million for calendar year 2008.

Deductions from the traditional IRA Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2009, refunds amounted to \$2.6 million, an increase of \$90 thousand (3.5 percent) over calendar year 2008. For calendar year 2009, the costs of administering the plan amounted to \$52 thousand, an increase of \$6 thousand over calendar year 2008.

Management's Discussion and Analysis (Continued)

**Defined Contribution Savings Plans Investment Option Rates of Return Type for 2009**



**Health Reimbursement Arrangement**

The Health Reimbursement Arrangement (HRA) is a tax-advantaged health savings plan for state employees funded by employer contributions to pay for qualified health care expenses incurred after retirement. No employee contributions are permitted. The plan net assets held in trust for benefits at December 31, 2009, amounted to \$3.0 million, an increase of \$1.4 million (93.3 percent) over the net assets at December 31, 2008.

Additions to the HRA include contributions and investment earnings. For calendar year 2009, contributions increased from those of calendar year 2008 from \$1.1 million to \$2.0 million (74.8 percent). Contributions increased because of the number of state retirees and an increase in the average amount deposited by the employer in behalf of the retiree.

Deductions from the HRA Plan net assets include participant and beneficiary refunds and administrative expense. For calendar year 2009 refunds amounted to \$533 thousand, an increase of \$245 thousand (85.1 percent) over calendar year 2008. The increase in refunds was due to an increase in withdrawals for calendar year 2009.

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

**Defined Contribution Comparative Annualized Rates of Return**

| Investment Option           | 2009 | 2008   |
|-----------------------------|------|--------|
| Income Fund                 | 2.5% | 4.7%   |
| Bond Fund                   | 16.3 | 0.2    |
| Balanced Fund               | 27.3 | (25.4) |
| Large Cap Stock Value Fund  | 31.1 | (43.4) |
| Large Cap Stock Index Fund  | 26.2 | (37.0) |
| Large Cap Stock Growth Fund | 35.1 | (36.8) |
| International Fund          | 29.6 | (41.0) |
| Small Cap Stock Fund        | 36.0 | (36.2) |
| Short Horizon Fund          | 19.3 | (11.4) |
| Medium Horizon Fund         | 24.4 | (22.9) |
| Long Horizon Fund           | 27.7 | (31.9) |
| HRA Fund                    | 0.1  | 2.1    |
| Group Annuity Fund          | 4.0  | 4.7    |

## Management's Discussion and Analysis (Continued)

**Fiduciary Net Assets — Defined Contribution Savings Plans**

December 31

*(dollars in thousands)*

|   | 401(k) Plan |           |           | 457 Plan |         |         | Roth IRA Plan |       |       |
|---|-------------|-----------|-----------|----------|---------|---------|---------------|-------|-------|
|   | 2009        | 2008      | 2007      | 2009     | 2008    | 2007    | 2009          | 2008  | 2007  |
| <b>Assets:</b>                            |             |           |           |          |         |         |               |       |       |
| Cash and receivables                      | \$ 62,732   | 57,445    | 56,327    | 5,266    | 4,224   | 3,844   | 44            | 12    | 29    |
| Investments at fair value                 | 2,548,843   | 2,080,078 | 2,553,146 | 278,698  | 225,591 | 273,453 | 12,210        | 7,083 | 6,331 |
| Invested securities<br>lending collateral | 104,636     | 78,336    | 165,123   | 11,603   | 8,191   | 17,451  | 671           | 393   | 559   |
| Total assets                              | 2,716,211   | 2,215,859 | 2,774,596 | 295,567  | 238,006 | 294,748 | 12,925        | 7,488 | 6,919 |
| <b>Liabilities:</b>                       |             |           |           |          |         |         |               |       |       |
| Securities lending liability              | 104,636     | 78,336    | 165,123   | 11,603   | 8,191   | 17,451  | 671           | 393   | 559   |
| Investment accounts<br>and other payables | 4,288       | 5,578     | 5,325     | 345      | 346     | 234     | 6             | 7     | 24    |
| Total liabilities                         | 108,924     | 83,914    | 170,448   | 11,948   | 8,537   | 17,685  | 677           | 400   | 583   |
| Total net assets                          | \$2,607,287 | 2,131,945 | 2,604,148 | 283,619  | 229,469 | 277,063 | 12,248        | 7,088 | 6,336 |

**Changes in Fiduciary Net Assets — Defined Contribution Savings Plans**

Year Ended December 31

*(dollars in thousands)*

|                                      | 401(k) Plan |           |         | 457 Plan |          |        | Roth IRA Plan |         |       |
|--------------------------------------|-------------|-----------|---------|----------|----------|--------|---------------|---------|-------|
|                                      | 2009        | 2008      | 2007    | 2009     | 2008     | 2007   | 2009          | 2008    | 2007  |
| <b>Additions:</b>                    |             |           |         |          |          |        |               |         |       |
| Contributions                        | \$ 222,369  | 229,981   | 225,975 | 26,617   | 29,021   | 26,303 | 3,623         | 3,346   | 2,745 |
| Investment<br>income (loss)          | 386,989     | (554,176) | 137,399 | 41,581   | (57,267) | 14,025 | 2,008         | (2,051) | 208   |
| Total additions                      | 609,358     | (324,195) | 363,374 | 68,198   | (28,246) | 40,328 | 5,631         | 1,295   | 2,953 |
| <b>Deductions:</b>                   |             |           |         |          |          |        |               |         |       |
| Refunds                              | 127,675     | 141,904   | 142,180 | 13,349   | 18,683   | 21,489 | 445           | 524     | 192   |
| Administrative expenses              | 6,341       | 6,104     | 5,602   | 699      | 665      | 591    | 26            | 19      | 13    |
| Total deductions                     | 134,016     | 148,008   | 147,782 | 14,048   | 19,348   | 22,080 | 471           | 543     | 205   |
| Increase (decrease)<br>in net assets | \$ 475,342  | (472,203) | 215,592 | 54,150   | (47,594) | 18,248 | 5,160         | 752     | 2,748 |

Management's Discussion and Analysis (Continued)

| Traditional IRA Plan |        |        | Health Reimbursement Arrangement (HRA) |       |      | Total Defined Contribution Plans |           |           | 2009 Percent Change | 2008 Percent Change |
|----------------------|--------|--------|--|-------|------|----------------------------------|-----------|-----------|---------------------|---------------------|
| 2009                 | 2008   | 2007   | 2009                                   | 2008  | 2007 | 2009                             | 2008      | 2007      |                     |                     |
| 14                   | 60     | 19     | —                                      | —     | 83   | 68,056                           | 61,741    | 60,302    | 10.2%               | 2.4%                |
| 22,470               | 19,251 | 17,831 | 2,994                                  | 1,546 | 602  | 2,865,215                        | 2,333,549 | 2,851,363 | 22.8                | (18.2)              |
| 758                  | 559    | 1,021  | —                                      | —     | —    | 117,668                          | 87,479    | 184,154   | 34.5                | (52.5)              |
| 23,242               | 19,870 | 18,871 | 2,994                                  | 1,546 | 685  | 3,050,939                        | 2,482,769 | 3,095,819 | 22.9                | (19.8)              |
| 758                  | 559    | 1,021  | —                                      | —     | —    | 117,668                          | 87,479    | 184,154   | 34.5                | (52.5)              |
| 13                   | 117    | 10     | 6                                      | —     | —    | 4,658                            | 6,048     | 5,593     | (23.0)              | 8.1                 |
| 771                  | 676    | 1,031  | 6                                      | —     | —    | 122,326                          | 93,527    | 189,747   | 30.8                | (50.7)              |
| 22,471               | 19,194 | 17,840 | 2,988                                  | 1,546 | 685  | 2,928,613                        | 2,389,242 | 2,906,072 | 22.6%               | (17.8)%             |

| Traditional IRA Plan |         |       | Health Reimbursement Arrangement (HRA) |       |      | Total Defined Contribution Plans |           |         | 2009 Percent Change | 2008 Percent Change |
|----------------------|---------|-------|--|-------|------|----------------------------------|-----------|---------|---------------------|---------------------|
| 2009                 | 2008    | 2007  | 2009                                   | 2008  | 2007 | 2009                             | 2008      | 2007    |                     |                     |
| 3,161                | 7,433   | 7,390 | 1,974                                  | 1,129 | 664  | 257,744                          | 270,910   | 263,077 | (4.9)%              | 3.0%                |
| 2,803                | (3,488) | 650   | 7                                      | 23    | 19   | 433,388                          | (616,959) | 152,301 | (170.2)             | (505.1)             |
| 5,964                | 3,945   | 8,040 | 1,981                                  | 1,152 | 683  | 691,132                          | (346,049) | 415,378 | (299.7)             | (183.3)             |
| 2,635                | 2,545   | 2,592 | 533                                    | 288   | 126  | 144,637                          | 163,944   | 166,579 | (11.8)              | (1.6)               |
| 52                   | 46      | 36    | 6                                      | 3     | 1    | 7,124                            | 6,837     | 6,243   | 4.2                 | 9.5                 |
| 2,687                | 2,591   | 2,628 | 539                                    | 291   | 127  | 151,761                          | 170,781   | 172,822 | (11.1)              | (1.2)               |
| 3,277                | 1,354   | 5,412 | 1,442                                  | 861   | 556  | 539,371                          | (516,830) | 242,556 | (204.4)%            | (313.1)%            |

# Basic Financial Statements

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

December 31, 2009

With Comparative Totals for December 31, 2008

*(in thousands)*

|   | Noncontributory<br>System | Contributory<br>System | Public Safety<br>System | Firefighters<br>System | Judges<br>System | Utah Governors<br>and Legislators<br>Retirement Plan |
|---|---------------------------|------------------------|-------------------------|------------------------|------------------|--|
| <b>Assets:</b>  |                           |                        |                         |                        |                  |  |
| Cash  | \$ 3,644                  | 2                      | 20                      | 2                      | 1                | 1  |
| Receivables:  |                           |                        |                         |                        |                  |  |
| Member contributions  | —                         | 366                    | 43                      | 489                    | —                | —  |
| Employer contributions  | 28,875                    | 529                    | 3,783                   | —                      | 92               | —  |
| Court fees and fire insurance tax                                       | —                         | —                      | —                       | 10,161                 | 184              | —  |
| Investments   | 231,214                   | 15,334                 | 29,810                  | 10,994                 | 1,825            | 147  |
| Total receivables   | 260,089                   | 16,229                 | 33,636                  | 21,644                 | 2,101            | 147  |
| Investments at fair value:  |                           |                        |                         |                        |                  |  |
| Short term securities, domestic   | 632,537                   | 41,950                 | 81,550                  | 30,076                 | 4,991            | 403  |
| Short term securities, international                                    | 10,065                    | 668                    | 1,297                   | 478                    | 79               | 6  |
| Debt securities, domestic   | 2,987,354                 | 198,122                | 385,148                 | 142,046                | 23,573           | 1,902  |
| Debt securities, international  | 625,511                   | 41,484                 | 80,646                  | 29,742                 | 4,936            | 398  |
| Equity investments, domestic  | 3,574,763                 | 237,079                | 460,878                 | 169,976                | 28,208           | 2,276  |
| Equity investments, international                                       | 2,102,782                 | 139,457                | 271,103                 | 99,985                 | 16,593           | 1,339  |
| Absolute return   | 1,927,096                 | 127,805                | 248,453                 | 91,631                 | 15,207           | 1,227  |
| Private equity  | 1,127,454                 | 74,773                 | 145,358                 | 53,609                 | 8,897            | 718  |
| Real estate   | 2,236,867                 | 148,350                | 288,390                 | 106,360                | 17,651           | 1,424  |
| Mortgage loans  | 5,471                     | 363                    | 704                     | 260                    | 43               | 3  |
| Investment contracts  | —                         | —                      | —                       | —                      | —                | —  |
| Total investments   | 15,229,900                | 1,010,051              | 1,963,527               | 724,163                | 120,178          | 9,696  |
| Invested securities lending collateral                                  | 1,149,384                 | 76,227                 | 148,184                 | 54,652                 | 9,070            | 732  |
| Property and equipment at cost,<br>net of accumulated depreciation      | 256                       | 17                     | 34                      | 13                     | 2                | —  |
| Total assets  | 16,643,273                | 1,102,526              | 2,145,401               | 800,474                | 131,352          | 10,576   |
| <b>Liabilities:</b>   |                           |                        |                         |                        |                  |  |
| Securities lending liability  | 1,149,384                 | 76,227                 | 148,184                 | 54,652                 | 9,070            | 732  |
| Disbursements in excess of cash balance                                 | 15,810                    | 1,048                  | 2,039                   | 751                    | 125              | 10   |
| Compensated absences, post employment<br>benefits and insurance reserve | 12,159                    | 806                    | 1,567                   | 578                    | 96               | 8  |
| Investment accounts payable   | 446,625                   | 29,376                 | 57,110                  | 21,062                 | 3,495            | 282  |
| Real estate liabilities   | 866,733                   | 57,482                 | 111,743                 | 41,212                 | 6,840            | 551  |
| Total liabilities   | 2,490,711                 | 164,939                | 320,643                 | 118,255                | 19,626           | 1,583  |
| Net assets held in trust for pension benefits                           | \$14,152,562              | 937,587                | 1,824,758               | 682,219                | 111,726          | 8,993  |

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

| Defined Benefit Pension Plans | Defined Contribution Plans  |             |          |               |                      |                                  | Total Pension Trust Funds        |            |
|-------------------------------|-----------------------------|-------------|----------|---------------|----------------------|----------------------------------|----------------------------------|------------|
|                               | Total Defined Pension Plans | 401(k) Plan | 457 Plan | Roth IRA Plan | Traditional IRA Plan | Health Reimbursement Arrangement | Total Defined Contribution Plans | 2009       |
| 3,670                         | 3,371                       | 256         | 44       | 14            | —                    | 3,685                            | 7,355                            | 7,175      |
| 898                           | —                           | —           | —        | —             | —                    | —                                | 898                              | 858        |
| 33,279                        | —                           | —           | —        | —             | —                    | —                                | 33,279                           | 35,605     |
| 10,345                        | —                           | —           | —        | —             | —                    | —                                | 10,345                           | 230        |
| 289,324                       | 59,361                      | 5,010       | —        | —             | —                    | 64,371                           | 353,695                          | 435,551    |
| 333,846                       | 59,361                      | 5,010       | —        | —             | —                    | 64,371                           | 398,217                          | 472,244    |
| 791,507                       | —                           | —           | —        | —             | 2,994                | 2,994                            | 794,501                          | 1,035,988  |
| 12,593                        | —                           | —           | —        | —             | —                    | —                                | 12,593                           | 6,256      |
| 3,738,145                     | 1,203,475                   | 130,892     | 4,345    | 13,153        | —                    | 1,351,865                        | 5,090,010                        | 5,183,242  |
| 782,717                       | —                           | —           | —        | —             | —                    | —                                | 782,717                          | 637,127    |
| 4,473,180                     | 1,069,044                   | 116,625     | 5,970    | 7,074         | —                    | 1,198,713                        | 5,671,893                        | 4,078,583  |
| 2,631,259                     | 276,324                     | 31,181      | 1,895    | 2,243         | —                    | 311,643                          | 2,942,902                        | 2,091,169  |
| 2,411,419                     | —                           | —           | —        | —             | —                    | —                                | 2,411,419                        | 2,097,466  |
| 1,410,809                     | —                           | —           | —        | —             | —                    | —                                | 1,410,809                        | 1,442,274  |
| 2,799,042                     | —                           | —           | —        | —             | —                    | —                                | 2,799,042                        | 3,280,056  |
| 6,844                         | —                           | —           | —        | —             | —                    | —                                | 6,844                            | 6,845      |
| —                             | —                           | —           | —        | —             | —                    | —                                | —                                | 39,220     |
| 19,057,515                    | 2,548,843                   | 278,698     | 12,210   | 22,470        | 2,994                | 2,865,215                        | 21,922,730                       | 19,898,226 |
| 1,438,249                     | 104,636                     | 11,603      | 671      | 758           | —                    | 117,668                          | 1,555,917                        | 1,192,833  |
| 322                           | —                           | —           | —        | —             | —                    | —                                | 322                              | 525        |
| 20,833,602                    | 2,716,211                   | 295,567     | 12,925   | 23,242        | 2,994                | 3,050,939                        | 23,884,541                       | 21,571,003 |
| 1,438,249                     | 104,636                     | 11,603      | 671      | 758           | —                    | 117,668                          | 1,555,917                        | 1,192,833  |
| 19,783                        | 407                         | 162         | —        | 3             | —                    | 572                              | 20,355                           | 23,390     |
| 15,214                        | —                           | —           | —        | —             | —                    | —                                | 15,214                           | 12,525     |
| 557,950                       | 3,881                       | 183         | 6        | 10            | 6                    | 4,086                            | 562,036                          | 835,371    |
| 1,084,561                     | —                           | —           | —        | —             | —                    | —                                | 1,084,561                        | 1,231,575  |
| 3,115,757                     | 108,924                     | 11,948      | 677      | 771           | 6                    | 122,326                          | 3,238,083                        | 3,295,694  |
| 17,717,845                    | 2,607,287                   | 283,619     | 12,248   | 22,471        | 2,988                | 2,928,613                        | 20,646,458                       | 18,275,309 |

**Utah Retirement Systems**

## Basic Financial Statements (Continued)

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

Year Ended December 31, 2009

With Comparative Totals for

Year Ended December 31, 2008

*(in thousands)*

|  | Noncontributory<br>System | Contributory<br>System | Public Safety<br>System | Firefighters<br>System | Judges<br>System | Utah Governors<br>and Legislators<br>Retirement Plan |
|--|---------------------------|------------------------|-------------------------|------------------------|------------------|--|
| <b>Additions:</b>  |                           |                        |                         |                        |                  |  |
| Contributions:   |                           |                        |                         |                        |                  |  |
| Member   | \$ 14,109                 | 8,655                  | 1,556                   | 11,273                 | 67               | —  |
| Employer   | 535,298                   | 10,865                 | 98,729                  | —                      | 2,083            | —  |
| Court fees and fire insurance tax                                  | —                         | —                      | —                       | 16,159                 | 2,101            | —  |
| Total contributions  | 549,407                   | 19,520                 | 100,285                 | 27,432                 | 4,251            | —  |
| Investment income:   |                           |                        |                         |                        |                  |  |
| Net appreciation (depreciation)<br>in fair value of investments    | 1,329,083                 | 89,770                 | 170,276                 | 63,615                 | 10,533           | 875  |
| Interest, dividends and other<br>investment income                 | 366,491                   | 24,753                 | 46,951                  | 17,542                 | 2,904            | 241  |
| Total income (loss) from<br>investment activity                    | 1,695,574                 | 114,523                | 217,227                 | 81,157                 | 13,437           | 1,116  |
| Less investment expenses   | 33,814                    | 2,284                  | 4,332                   | 1,619                  | 268              | 22   |
| Net income (loss) from<br>investment activity                      | 1,661,760                 | 112,239                | 212,895                 | 79,538                 | 13,169           | 1,094  |
| Income from security lending activity                              | 5,718                     | 387                    | 732                     | 273                    | 45               | 4  |
| Net investment income  | 1,667,478                 | 112,626                | 213,627                 | 79,811                 | 13,214           | 1,098  |
| Transfers from affiliated systems                                  | —                         | 37,633                 | 4,578                   | 1,173                  | 1,027            | 9  |
| Total additions  | 2,216,885                 | 169,779                | 318,490                 | 108,416                | 18,492           | 1,107  |
| <b>Deductions:</b>   |                           |                        |                         |                        |                  |  |
| Retirement benefits  | 599,456                   | 47,319                 | 88,632                  | 30,097                 | 6,046            | 619  |
| Cost of living benefits  | 123,596                   | 17,086                 | 17,186                  | 7,792                  | 1,549            | 165  |
| Supplemental retirement benefits                                   | —                         | 444                    | 454                     | 422                    | —                | —  |
| Refunds  | 2,882                     | 2,158                  | 390                     | 231                    | —                | —  |
| Administrative expenses  | 8,340                     | 555                    | 1,127                   | 354                    | 66               | 5  |
| Transfers to affiliated systems                                    | 44,420                    | —                      | —                       | —                      | —                | —  |
| Total deductions   | 778,694                   | 67,562                 | 107,789                 | 38,896                 | 7,661            | 789  |
| Increase (decrease)<br>from operations                             | 1,438,191                 | 102,217                | 210,701                 | 69,520                 | 10,831           | 318  |
| Net assets held in trust for pension<br>benefits beginning of year | 12,714,371                | 835,370                | 1,614,057               | 612,699                | 100,895          | 8,675  |
| Net assets held in trust for pension<br>benefits end of year       | \$14,152,562              | 937,587                | 1,824,758               | 682,219                | 111,726          | 8,993  |

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



| Defined Benefit Pension Plans | Defined Contribution Plans          |             |          |               |                      |                                  | Total Pension Trust Funds        |             |
|-------------------------------|-------------------------------------|-------------|----------|---------------|----------------------|----------------------------------|----------------------------------|-------------|
|                               | Total Defined Benefit Pension Plans | 401(k) Plan | 457 Plan | Roth IRA Plan | Traditional IRA Plan | Health Reimbursement Arrangement | Total Defined Contribution Plans | 2009        |
| 35,660                        | 222,369                             | 26,617      | 3,623    | 3,161         | —                    | 255,770                          | 291,430                          | 306,026     |
| 646,975                       | —                                   | —           | —        | —             | 1,974                | 1,974                            | 648,949                          | 630,528     |
| 18,260                        | —                                   | —           | —        | —             | —                    | —                                | 18,260                           | 12,291      |
| 700,895                       | 222,369                             | 26,617      | 3,623    | 3,161         | 1,974                | 257,744                          | 958,639                          | 948,845     |
| 1,664,152                     | 384,332                             | 41,041      | 2,016    | 2,823         | 7                    | 430,219                          | 2,094,371                        | (5,929,835) |
| 458,882                       | 4,797                               | 764         | —        | —             | —                    | 5,561                            | 464,443                          | 484,818     |
| 2,123,034                     | 389,129                             | 41,805      | 2,016    | 2,823         | 7                    | 435,780                          | 2,558,814                        | (5,445,017) |
| 42,339                        | 2,753                               | 291         | 12       | 24            | —                    | 3,080                            | 45,419                           | 50,764      |
| 2,080,695                     | 386,376                             | 41,514      | 2,004    | 2,799         | 7                    | 432,700                          | 2,513,395                        | (5,495,781) |
| 7,159                         | 613                                 | 67          | 4        | 4             | —                    | 688                              | 7,847                            | 16,036      |
| 2,087,854                     | 386,989                             | 41,581      | 2,008    | 2,803         | 7                    | 433,388                          | 2,521,242                        | (5,479,745) |
| 44,420                        | —                                   | —           | —        | —             | —                    | —                                | 44,420                           | 14,537      |
| 2,833,169                     | 609,358                             | 68,198      | 5,631    | 5,964         | 1,981                | 691,132                          | 3,524,301                        | (4,516,363) |
| 772,169                       | —                                   | —           | —        | —             | —                    | —                                | 772,169                          | 712,350     |
| 167,374                       | —                                   | —           | —        | —             | —                    | —                                | 167,374                          | 149,656     |
| 1,320                         | —                                   | —           | —        | —             | —                    | —                                | 1,320                            | 1,524       |
| 5,661                         | 127,675                             | 13,349      | 445      | 2,635         | 533                  | 144,637                          | 150,298                          | 169,121     |
| 10,447                        | 6,341                               | 699         | 26       | 52            | 6                    | 7,124                            | 17,571                           | 17,868      |
| 44,420                        | —                                   | —           | —        | —             | —                    | —                                | 44,420                           | 14,537      |
| 1,001,391                     | 134,016                             | 14,048      | 471      | 2,687         | 539                  | 151,761                          | 1,153,152                        | 1,065,056   |
| 1,831,778                     | 475,342                             | 54,150      | 5,160    | 3,277         | 1,442                | 539,371                          | 2,371,149                        | (5,581,419) |
| 15,886,067                    | 2,131,945                           | 229,469     | 7,088    | 19,194        | 1,546                | 2,389,242                        | 18,275,309                       | 23,856,728  |
| 17,717,845                    | 2,607,287                           | 283,619     | 12,248   | 22,471        | 2,988                | 2,928,613                        | 20,646,458                       | 18,275,309  |

# Notes to the Basic Financial Statements

December 31, 2009



## Note 1

### Description of Systems and Plans

A brief description of the Utah Retirement Systems (Systems) and 401(k), 457, Roth and Traditional IRA Plans (Plans), and Health Reimbursement Arrangement (HRA) follows. For a more complete description of plan provisions, membership and benefit statistics, see the Systems Highlights on pages 12 through 24 and Summaries of Plan Provisions on pages 130 through 140.

#### 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 **Utah Governors and Legislators Retirement Plan** which are single-employer service-employee retirement systems; and
- iv) five defined contribution plans comprised of the **401(k) Plan, 457 Plan, Roth and Traditional IRA Plans, and HRA.**

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

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

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems and Plans under the direction of the Board, whose members are appointed by the Governor. The Plans are established under the authority of the same sections of the Utah Code Annotated 1953, as amended, as well as under Sections 401(k), 457, 408 and 408A of the Internal Revenue Code. The Plans may be amended by the Board within the parameters of the Internal 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 the Basic Financial Statements (Continued)

December 31, 2009

**B) Retirement and Death Benefits**

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

The Utah Governors and Legislators Retirement Plan provides the following benefits. Former governors at age 65 receive \$1,220 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$26.80 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 retirement account intact for future benefits based on vesting qualification or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based.

**C) Defined Contribution Plans**

The 401(k), 457, Roth and Traditional IRA Plans, and HRA administered by the Board are defined contribution plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems. Contributions may be made into the Plans subject to plan and Internal Revenue Code limitations by employees of employers sponsoring the Plans. Employer contributions may be made into the 401(k) and 457 Plans at rates determined by the employers and according to Utah Title 49. There are 362 employers participating in the 401(k) Plan and 153 employers participating in the 457 Plan. There are 144,013 plan participants in the 401(k)

**Summary of Benefits by System**

|  | Noncontributory System   | Contributory System  | Public Safety System  | Firefighters System | Judges System   |
|--|--|--|---|---------------------|---|
| <b>Final average salary is</b>                                   | <b>Highest 3 years</b>   | <b>Highest 5 years</b>   | <b>Highest 3 years</b>  |                     | <b>Highest 2 years</b>  |
| <b>Years of service required and/or age eligible for benefit</b> | <b>30 years any age<br/>25 years any age*<br/>20 years age 60*<br/>10 years age 62*<br/>4 years age 65</b> | <b>30 years any age<br/>20 years age 60*<br/>10 years age 62*<br/>4 years age 65</b> | <b>20 years any age<br/>10 years age 60<br/>4 years age 65</b>  |                     | <b>25 years any age<br/>20 years age 55*<br/>10 years age 62<br/>6 years age 70</b>   |
| <b>Benefit percent per year of service**</b>                     | <b>2.0% per year all years</b>   | <b>1.25% per year to June 1975<br/>2.00% per year July 1975 to present</b>           | <b>2.5% per year up to 20 years<br/>2.0% per year over 20 years</b><br><b>Benefit cannot exceed 70% of final average salary</b> |                     | <b>5.00% first 10 years<br/>2.25% second 10 years<br/>1.00% over 20 years</b><br><b>Benefit cannot exceed 75% of final average salary</b> |

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

\* With actuarial reductions.

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

**Utah Retirement Systems**

Notes to the Basic Financial Statements (Continued)

December 31, 2009

Plan, 17,111 participants in the 457 Plan, 1,949 participants in the Roth IRA Plan, 494 participants in the Traditional IRA Plan, and 1,079 in the HRA.

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

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

**D) Contributions**

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

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

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

**Participating Membership by System**

|                                    | Noncontributory System | Contributory System | Public Safety System | Firefighters System | Judges System | Utah Governors and Legislators Retirement Plan |
|------------------------------------|------------------------|---------------------|----------------------|---------------------|---------------|--|
| <b>Number of participating:</b>    |                        |                     |                      |                     |               |  |
| <b>Employers</b>                   | 416                    | 160                 | 130                  | 55                  | 1             | 1  |
| <b>Members:</b>                    |                        |                     |                      |                     |               |  |
| <b>Active</b>                      | 92,766                 | 2,515               | 7,695                | 1,907               | 104           | 119  |
| <b>Terminated vested</b>           | 31,030                 | 1,355               | 2,331                | 128                 | 8             | 80   |
| <b>Retirees and beneficiaries:</b> |                        |                     |                      |                     |               |  |
| <b>Service benefits</b>            | 33,901                 | 4,969               | 3,819                | 1,030               | 107           | 224  |
| <b>Disability benefits</b>         | —                      | 2                   | 12                   | 82                  | —             | —  |

## Utah Retirement Systems

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

December 31, 2009

#### 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.

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

The Public Safety Retirement System includes eligible state and local government employees directly involved in law enforcement (e.g., game wardens, prison guards, police officers and highway patrol officers). The Public Safety System consists of both contributory and noncontributory divisions. The noncontributory divisions were authorized by the Legislature effective July 1, 1989.

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

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

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

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

At December 31, 2009, participating members by System are included in the table on page 50.



#### Note 2

### Summary of Significant Accounting Policies

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

#### A) Method of Accounting

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

Utah Retirement Systems adhere to Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Investments are presented at fair value. The actuarial accrued liability under the entry age actuarial funding method is presented in the Required Supplementary Information on page 74.

**Utah Retirement Systems**

Notes to the Basic Financial Statements (Continued)

December 31, 2009

**B) Investments**

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

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

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

Approximately 11% 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 11%, approximately 3% are U.S. Government

debt securities and approximately 8% are debt securities of the U.S. Government instrumentalities. The Systems and Plans have no investments of any commercial or industrial organization whose market value equals 5% or more of the Systems' net assets held in trust for pension benefits.

**C) Property and Equipment**

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

---

|                                     |                   |
|-------------------------------------|-------------------|
| <b>Buildings.....</b>               | <b>40 years</b>   |
| <b>Building improvements .....</b>  | <b>10 years</b>   |
| <b>Furniture and equipment.....</b> | <b>3-10 years</b> |

---

**D) Administrative Expenses**

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

**E) Federal Tax Status**

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

**F) Use of Estimates**

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

**G) Subsequent Events**

The Systems have performed an evaluation of subsequent events through April 16, 2010, the date the basic financial statements were available to be issued. No material events were identified by the Systems.

## Utah Retirement Systems

## Notes to the Basic Financial Statements (Continued)

December 31, 2009



## Cash Deposits

*(in thousands)*

|   |                   |
|---|-------------------|
| Cash .....  | \$7,355           |
| Disbursements in excess<br>of cash balances ..... | (20,355)          |
| <b>Total .....</b>                                | <b>\$(13,000)</b> |

## Investments

*(in thousands)*

Fair Value

| at December 31, 2009  | Defined Benefit     | Defined Contribution | Total All<br>Systems and Plans |
|---|---------------------|----------------------|--------------------------------|
| Debt securities, domestic   | \$ 3,090,946        | 1,338,147            | 4,429,093                      |
| Debt securities, international  | 737,908             | —                    | 737,908                        |
| Equity securities, domestic   | 3,864,773           | 643,574              | 4,508,347                      |
| Equity securities, international  | 2,536,972           | 178,078              | 2,715,050                      |
| Short term securities pools   | 804,100             | 2,994                | 807,094                        |
| Mortgage loans:   |                     |                      |                                |
| Real estate notes   | 6,844               | —                    | 6,844                          |
| Real estate   | 2,799,042           | —                    | 2,799,042                      |
| Private equity (venture capital)  | 1,410,809           | —                    | 1,410,809                      |
| Absolute return   | 2,411,419           | —                    | 2,411,419                      |
| Guaranteed investment contracts   | —                   | —                    | —                              |
| Equity securities, domestic (pooled)                                    | —                   | 475,196              | 475,196                        |
| Mutual fund, international  | —                   | 113,351              | 113,351                        |
| Investments held by broker-dealers<br>under securities lending program: |                     |                      |                                |
| U.S. Government and agency securities                                   | 562,642             | —                    | 562,642                        |
| Corporate debt securities, domestic                                     | 84,557              | 13,718               | 98,275                         |
| Debt securities, international  | 44,809              | —                    | 44,809                         |
| Equity securities, domestic   | 608,407             | 79,943               | 688,350                        |
| Equity securities, international  | 94,287              | 20,214               | 114,501                        |
| <b>Total investments</b>  | <b>\$19,057,515</b> | <b>2,865,215</b>     | <b>21,922,730</b>              |
| Securities lending collateral pool                                      | \$ 1,438,249        | 117,668              | 1,555,917                      |

## Note 3

Deposits and  
Investment Risk Disclosures

## A) Deposits

Custodial Credit Risk for Deposits is the risk that in the event of a bank failure, the Systems' and Plans' deposits may not be returned to them. The deposits are held in one financial institution with an insured balance of \$250,000. Deposits in the bank in excess of \$250,000 are uninsured and uncollateralized, because they are not required to be by state statute. The Systems and Plans do not have a deposit policy for custodial credit risk. Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value. At December 31, 2009, the carrying amount of deposits totaled approximately \$(13,000,000) and the corresponding bank balance was \$2,020,674 of which \$1,770,674 was exposed to custodial credit risk.

## B) Investments

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

**Utah Retirement Systems**

Notes to the Basic Financial Statements (Continued)

December 31, 2009

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

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

| <i>(in thousands)</i>  | 12/31/2009         | 12/31/2008         |
|------------------------|--------------------|--------------------|
| <b>Private equity</b>  | <b>\$1,410,809</b> | <b>\$1,442,274</b> |
| <b>Absolute return</b> | <b>2,411,419</b>   | <b>2,097,466</b>   |
| <b>Real estate</b>     | <b>2,629,760</b>   | <b>3,160,257</b>   |
|                        | <b>\$6,451,988</b> | <b>\$6,699,997</b> |

**C) Credit Risk Debt Securities:**

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

- U.S. Government and Agency Securities — no restriction.
- Total portfolio quality shall maintain a minimum overall rating of "A" (S&P) or equivalent rating.
- Securities with a quality rating of below BBB- are considered below investment grade. No more than 5% of an investment manager's assets at market with a single issuer of 1% of the total portfolio can be below investment grade.
- Upon approval, a domestic debt securities investment manager may invest up to 10% of the portfolio in non-U.S. dollar denominated bonds.

**Credit Risk Debt Securities at Fair Value**

at December 31, 2009

| Quality Rating                           | <i>(in thousands)</i> |                |                  | Defined Contribution Plans | Total All Systems and Plans |
|--|-----------------------|----------------|------------------|----------------------------|-----------------------------|
|  | Defined Benefit Plans |                |                  | Domestic                   |                             |
|  | Domestic              | International  | Total            |                            |                             |
| AAA                                      | \$1,186,873           | 313,502        | 1,500,375        | 86,366                     | 1,586,741                   |
| AA+                                      | 96,175                | 17,929         | 114,104          | 1,416                      | 115,520                     |
| AA                                       | 25,679                | 81,363         | 107,042          | 29,562                     | 136,604                     |
| AA-                                      | 68,529                | 58,044         | 126,573          | 9,693                      | 136,266                     |
| A+                                       | 78,800                | 72,056         | 150,856          | 93,795                     | 244,651                     |
| A  | 238,398               | 59,219         | 297,617          | 32,528                     | 330,145                     |
| A-                                       | 93,257                | 43,779         | 137,036          | 28,516                     | 165,552                     |
| BBB+                                     | 104,805               | 47,932         | 152,737          | 94,750                     | 247,487                     |
| BBB                                      | 76,055                | 43,199         | 119,254          | 28,105                     | 147,359                     |
| BBB-                                     | 81,151                | 27,093         | 108,244          | 36,019                     | 144,263                     |
| BB+                                      | 20,417                | 1,703          | 22,120           | —                          | 22,120                      |
| BB                                       | 17,130                | 6,754          | 23,884           | 9,974                      | 33,858                      |
| BB-                                      | 12,376                | —              | 12,376           | 5,635                      | 18,011                      |
| B+                                       | 7,645                 | —              | 7,645            | —                          | 7,645                       |
| B  | 12,813                | 1,358          | 14,171           | 10,467                     | 24,638                      |
| B-                                       | 41,975                | 3,382          | 45,357           | 25,264                     | 70,621                      |
| CCC+                                     | 131                   | —              | 131              | —                          | 131                         |
| CCC                                      | 40,401                | —              | 40,401           | —                          | 40,401                      |
| CCC-                                     | —                     | 1,213          | 1,213            | —                          | 1,213                       |
| CC                                       | 15,275                | —              | 15,275           | —                          | 15,275                      |
| C  | —                     | 547            | 547              | —                          | 547                         |
| D  | 1,523                 | —              | 1,523            | —                          | 1,523                       |
| NR                                       | 48,528                | 3,644          | 52,172           | 25,528                     | 77,700                      |
| <b>Total credit risk debt securities</b> | <b>2,267,936</b>      | <b>782,717</b> | <b>3,050,653</b> | <b>517,618</b>             | <b>3,568,271</b>            |
| <b>U.S. Government and Agencies</b>      | <b>1,337,579</b>      | <b>—</b>       | <b>1,337,579</b> | <b>834,247</b>             | <b>2,171,826</b>            |
| <b>Pooled investments</b>                | <b>132,630</b>        | <b>—</b>       | <b>132,630</b>   | <b>—</b>                   | <b>132,630</b>              |
| <b>Total debt securities investments</b> | <b>\$3,738,145</b>    | <b>782,717</b> | <b>4,520,862</b> | <b>1,351,865</b>           | <b>5,872,727</b>            |



## Utah Retirement Systems

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

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

The weighted quality rating average of the domestic debt securities, excluding pooled investments, at December 31, 2009, is AAA, and the fair value of below grade investments is \$218,214,771 or 5.84% of the domestic portfolio. The weighted quality rating average of the international debt securities investments, at December 31, 2009, is AA+ and the fair value of below grade investments is \$18,601,141 or 2.38% of the international portfolio.

**Debt Securities Investments, Domestic**

at December 31, 2009

(dollars in thousands)

| Investment                              | Defined Benefit Plans |                             | Defined Contribution Plans |                             | Total All Systems and Plans |
|---|-----------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|
|   | Fair Value            | Effective Weighted Duration | Fair Value                 | Effective Weighted Duration |                             |
| Asset backed securities                 | \$ 130,615            | 0.65                        | 40,914                     | 0.65                        | \$ 171,529                  |
| Commercial mortgage-backed              | 157,518               | 4.07                        | 52,341                     | 2.67                        | 209,859                     |
| Corporate bonds                         | 986,416               | 5.27                        | 281,871                    | 5.04                        | 1,268,287                   |
| Fixed income derivatives — futures      | (242,350)             | 0.34                        | —                          | —                           | (242,350)                   |
| Fixed income derivatives — options      | 65                    | NA                          | —                          | —                           | 65                          |
| Fixed income futures                    | 242,350               | NA                          | —                          | —                           | 242,350                     |
| Government agencies                     | 180,062               | 4.11                        | 251,508                    | 1.96                        | 431,570                     |
| Government bonds                        | 506,551               | 9.01                        | 23,723                     | 2.28                        | 530,274                     |
| Government mortgage backed securities   | 1,322,557             | 2.92                        | 270,826                    | 2.01                        | 1,593,383                   |
| Guaranteed fixed income                 | 104,739               | 2.23                        | —                          | —                           | 104,739                     |
| Index linked government bonds           | 57,893                | 3.51                        | —                          | —                           | 57,893                      |
| Municipal/Provincial bonds              | 8,983                 | 11.35                       | 9,998                      | 9.36                        | 18,981                      |
| Non-government backed C.M.O.s           | 281,241               | 2.09                        | —                          | —                           | 281,241                     |
| Other fixed income                      | 668                   | NA                          | 101,620                    | NA                          | 102,288                     |
| Other liabilities                       | (3,000)               | NA                          | —                          | —                           | (3,000)                     |
| Other options                           | 762                   | NA                          | —                          | —                           | 762                         |
| Swap liabilities                        | (9,742)               | NA                          | —                          | —                           | (9,742)                     |
| Swaps                                   | 12,817                | NA                          | —                          | —                           | 12,817                      |
| Treasury inflation protected securities | —                     | NA                          | 25,417                     | 4.99                        | 25,417                      |
| Treasury notes                          | —                     | NA                          | 278,681                    | 4.77                        | 278,681                     |
| Whole loan C.M.O.s                      | —                     | NA                          | 14,966                     | —                           | 14,966                      |
| <b>Total</b>                            | <b>\$3,738,145</b>    | <b>4.66</b>                 | <b>\$1,351,865</b>         | <b>3.06</b>                 | <b>\$5,090,010</b>          |

**Debt Securities Investments, International**

at December 31, 2009

(dollars in thousands)

| Investment                        | Defined Benefit Plans |                             |
|-----------------------------------|-----------------------|-----------------------------|
|                                   | Fair Value            | Effective Weighted Duration |
| Asset backed securities           | \$ 3,302              | 1.59                        |
| Corporate bonds                   | 268,559               | 5.04                        |
| Fixed income derivative — futures | —                     | NA                          |
| Fixed income futures              | —                     | NA                          |
| Government agencies               | 60,830                | 3.28                        |
| Government bonds                  | 399,449               | 5.58                        |
| Index linked government bonds     | 2,293                 | 5.89                        |
| Municipal/Provincial bonds        | 46,746                | 3.75                        |
| Non-government backed C.M.O.s     | 781                   | NA                          |
| Unit trust bonds                  | 757                   | NA                          |
| <b>Total</b>                      | <b>\$782,717</b>      | <b>5.09</b>                 |

**Utah Retirement Systems**

Notes to the Basic Financial Statements (Continued)

December 31, 2009

**D) Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Systems and Plans will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. URS does have an investment policy regarding custodial credit risk. At December 31, 2009, the table below represents the investments that have custodial credit risk. The \$12,620,000 frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in the Systems and Plans name. Because it is in foreign banks, it is subject to custodial credit risk. URS does not have an investment policy regarding custodial credit risk for frictional cash in foreign banks.

**Custodial Credit Risk**

**Exposed to Custodial Credit Risk**

| Type of Investment               | <i>(in thousands)</i><br>Fair Value |
|----------------------------------|-------------------------------------|
| <b>Cash and cash equivalents</b> | <b>\$12,620</b>                     |

**Exposure to Custodial Credit Risk Not Determined**

| Type of Investment               | <i>(in thousands)</i><br>Fair Value |
|----------------------------------|-------------------------------------|
| <b>Cash and cash equivalents</b> | <b>\$ 4</b>                         |

**E) Concentrations of Credit Risk**

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

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

At December 31, 2009, 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.

## Utah Retirement Systems

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

December 31, 2009

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

The Systems and Plans compare an investment's effective duration against the Barclays Capital Aggregate Index for domestic debt securities and the Barclays Capital Global Aggregate Index for international debt securities. The index range at December 31, 2009, is 3.4 – 5.7 for domestic debt securities and 2.7 – 8.1 for international debt securities. At December 31, 2009, no individual debt security investment manager's portfolio was outside of the policy guidelines. At December 31, 2009, the tables on page 55 show the investments by investment type, amount and the effective weighted duration.

#### G) Foreign Currency Risk

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

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

Risk of loss arises from changes in currency exchange rates. The Systems' and Plans' exposure to foreign currency risk is shown on page 58.

#### 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 103% of the market value of the domestic securities on loan and 105% of the market value of the international securities on loan, with a simultaneous agreement to return the collateral for the same securities in the future. The custodial bank is the agent for the securities lending program. Securities under loan are maintained in the financial records, and corresponding liabilities are recorded for the market value of the collateral received.

At year end there was no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year end were \$1,508,577,000 and the collateral received for those securities on loan was \$1,555,918,000. 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.

## Utah Retirement Systems

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

## Foreign Currency Risk

| Currency   | <i>(in thousands)</i> |                |                  |                  | Defined Contribution Plans | Total                 |
|--|-----------------------|----------------|------------------|------------------|----------------------------|-----------------------|
|  | Short Term            | Debt           | Equity           | Total            | Equity                     | All Systems and Plans |
| International Investment Securities at Fair Value at December 31, 2009 |                       |                |                  |                  |                            |                       |
| ADR* US dollar   | \$ —                  | 8,383          | 897,067          | 905,450          | —                          | 905,450               |
| Argentine peso   | 2                     | —              | 131              | 133              | —                          | 133                   |
| Australian dollar  | 205                   | 39,313         | 65,588           | 105,106          | 12,893                     | 117,999               |
| Brazilian real   | —                     | 12,713         | 13,155           | 25,868           | —                          | 25,868                |
| British pound sterling   | 872                   | 91,047         | 327,309          | 419,228          | 32,440                     | 451,668               |
| Canadian dollar  | 1,763                 | 57,681         | 71,246           | 130,690          | 6,685                      | 137,375               |
| Cayman Islands dollar  | —                     | 606            | —                | 606              | —                          | 606                   |
| Chilean peso   | —                     | 1,310          | —                | 1,310            | —                          | 1,310                 |
| Chinese yuan renminbi  | —                     | —              | 23,475           | 23,475           | —                          | 23,475                |
| Croatian kuna  | —                     | 5,601          | —                | 5,601            | —                          | 5,601                 |
| Czech koruna   | —                     | —              | 123              | 123              | —                          | 123                   |
| Danish krone   | 54                    | 24,212         | 5,666            | 29,932           | 636                        | 30,568                |
| Euro   | 6,717                 | 297,172        | 545,895          | 849,784          | 63,442                     | 913,226               |
| Hong Kong dollar   | 64                    | —              | 53,483           | 53,547           | 6,291                      | 59,838                |
| Icelandic krona  | —                     | 1,497          | —                | 1,497            | —                          | 1,497                 |
| Indian rupee   | —                     | —              | 5,525            | 5,525            | —                          | 5,525                 |
| Japanese yen   | 159                   | 48,553         | 382,692          | 431,404          | 39,619                     | 471,023               |
| Korean won   | —                     | 17,619         | 17,364           | 34,983           | —                          | 34,983                |
| Malaysian ringgit  | —                     | 15,283         | 6,640            | 21,923           | —                          | 21,923                |
| Mexican peso   | —                     | 26,141         | —                | 26,141           | —                          | 26,141                |
| Netherlands antillean gulden   | —                     | —              | 7,363            | 7,363            | —                          | 7,363                 |
| New Zealand dollar   | 66                    | 3,499          | 149              | 3,714            | 65                         | 3,779                 |
| Norwegian krone  | 90                    | 22,491         | 8,479            | 31,060           | 1,499                      | 32,559                |
| Panamanian balboa  | —                     | 1,703          | 5,317            | 7,020            | —                          | 7,020                 |
| Philippines peso   | —                     | —              | 1,804            | 1,804            | —                          | 1,804                 |
| Polish zloty   | —                     | 27,913         | —                | 27,913           | —                          | 27,913                |
| Puerto Rico — US dollar  | —                     | —              | 4,908            | 4,908            | —                          | 4,908                 |
| Qatari riyal   | —                     | 15,953         | —                | 15,953           | —                          | 15,953                |
| Russian Federation ruble   | —                     | 14,590         | 1,462            | 16,052           | —                          | 16,052                |
| Singaporan dollar  | 69                    | 11,681         | 11,462           | 23,212           | 1,414                      | 24,626                |
| Swedish krona  | 76                    | 15,236         | 18,589           | 33,901           | 3,971                      | 37,872                |
| Swiss franc  | 564                   | 17,034         | 140,179          | 157,777          | 16,096                     | 173,873               |
| Taiwanese new dollar   | 1,892                 | —              | 6,900            | 8,792            | —                          | 8,792                 |
| Thai baht  | —                     | 2,596          | 1,250            | 3,846            | —                          | 3,846                 |
| Tunisian dinar   | —                     | 735            | —                | 735              | —                          | 735                   |
| Turkish Lira   | —                     | —              | 5,915            | 5,915            | —                          | 5,915                 |
| United Arab Emirates dirham  | —                     | 2,155          | 2,123            | 4,278            | —                          | 4,278                 |
| Pooled international investments                                       | —                     | —              | —                | —                | 126,592                    | 126,592               |
| <b>Total securities subject to foreign currency risk</b>               | <b>\$12,593</b>       | <b>782,717</b> | <b>2,631,259</b> | <b>3,426,569</b> | <b>311,643</b>             | <b>3,738,212</b>      |

\*American Depository Receipts

**Utah Retirement Systems**

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

**I) Derivative Financial Instruments**

The Systems and Plans invest in derivative financial investments as authorized by Board policy. Derivatives are financial arrangements between two parties whose payments are based on, or "derived" from, the performance of some agreed-upon benchmark. All derivatives are considered investments. The fair value of all derivative financial instruments are reported in the Statements of Fiduciary Net Assets — Pension (and Other Employee Benefit) Trust Funds. By policy, portfolio liabilities associated with investments shall be backed by cash equivalents or deliverable securities. URS does not have a policy regarding master netting arrangements. At December 31, 2009, the Systems and Plans had five types of derivative financial instruments: futures, currency forwards, options, swaps and Synthetic Guaranteed Investment Contracts.

**Futures**

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the Systems' and Plans' credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains (losses in the Statement of Changes in Fiduciary Net Assets. At December 31, 2009, the Systems' and Plans' investments had the notional future balances as shown above.

**Currency Forwards**

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rate on the foreign currency dominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized gains or losses on foreign currency related transactions in the Statement of Changes in Fiduciary Net Assets. At December 31, 2009, the Systems' and Plans' investments included the currency forwards balances on page 60.

**Futures**

|   | Notional Value         |                      |
|---|------------------------|----------------------|
|   | 2009                   | 2008                 |
| <b>Cash &amp; Cash Equivalent</b>       |                        |                      |
| <b>Derivative Futures</b>               |                        |                      |
| Long                                    | \$ 32,135,513          | 373,886,625          |
| Short                                   | (6,704,100)            | (27,148,075)         |
| <b>Equity Derivatives Futures</b>       |                        |                      |
| Long                                    | 363,220,572            | 446,893,014          |
| Short                                   | (189,852,770)          | —                    |
| <b>Fixed Income Derivatives Futures</b> |                        |                      |
| Long                                    | 150,236,789            | 180,978,131          |
| Short                                   | (392,586,547)          | (619,352,828)        |
| <b>Total Futures</b>                    | <b>\$ (43,550,543)</b> | <b>\$355,256,867</b> |

**Options**

Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. The option's price is usually a small percentage of the underlying asset's value. As a writer of financial options, the Systems and Plans receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, the Systems and Plans pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. At December 31, 2009, the Systems' and Plans' investments had the following option balances:

**Options**

|   | Notional Market Value |                      |
|---|-----------------------|----------------------|
|   | 2009                  | 2008                 |
| <b>Cash &amp; Cash Equivalent Options</b> |                       |                      |
| Call                                      | \$ (332,650)          | (626,288)            |
| Put                                       | (209,150)             | (11,386)             |
| <b>Equity Options</b>                     |                       |                      |
| Call                                      | (7,675)               | —                    |
| Put                                       | (271,394)             | —                    |
| <b>Fixed Income</b>                       |                       |                      |
| Call                                      | 65,250                | (1,275,907)          |
| Put                                       | —                     | (1,208,659)          |
| <b>Swaptions</b>                          |                       |                      |
| Call                                      | 1,380,584             | (3,667,286)          |
| Put                                       | (618,209)             | (797,293)            |
| <b>Total Options</b>                      | <b>\$ 6,756</b>       | <b>\$(7,586,819)</b> |

## Utah Retirement Systems

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

## Currency Forwards

| Currency   | Cost         | Exchange Purchases | Pending Foreign Exchanging Sales | Defined Benefit       |                     |
|--|--------------|--------------------|----------------------------------|-----------------------|---------------------|
|  |              |                    |                                  | Fair Value 2009       | Fair Value 2008     |
| Australian dollar                                      | (3,270,970)  | —                  | (3,251,595)                      | (3,251,595)           | (1,461,722)         |
| Brazilian real   | (3,341,794)  | —                  | (3,443,532)                      | (3,443,532)           | —                   |
| British pound sterling                                 | (37,876,130) | 301,794            | (37,938,511)                     | (37,636,717)          | (43,202,402)        |
| Canadian dollar  | (14,875,209) | —                  | (14,778,783)                     | (14,778,783)          | 4,418               |
| Danish krone   | —            | —                  | —                                | —                     | (489,294)           |
| Euro   | 61,516,191   | 145,295,094        | (85,277,647)                     | 60,017,447            | 29,988,951          |
| Hong Kong dollar                                       | —            | —                  | —                                | —                     | 922,167             |
| Japanese yen   | 34,758,578   | 71,060,524         | (37,912,675)                     | 33,147,849            | 77,834,538          |
| Malaysian ringgit                                      | 20,283       | 20,302             | —                                | 20,302                | —                   |
| Mexican peso   | (4,224,953)  | —                  | (4,182,313)                      | (4,182,313)           | —                   |
| New Israeli shekel                                     | —            | —                  | —                                | —                     | (1,506,018)         |
| Norwegian krone  | 4,000,000    | 3,874,410          | —                                | 3,874,410             | 4,855,011           |
| Polish zloty   | —            | —                  | —                                | —                     | (1,465,482)         |
| Singapore dollar                                       | (24,716)     | —                  | (24,738)                         | (24,738)              | 680,113             |
| South Korean won                                       | 13,781       | 13,766             | —                                | 13,766                | —                   |
| Swedish Krona  | (2,509,240)  | 1,758,638          | (4,241,351)                      | (2,482,713)           | (2,627,023)         |
| Swiss franc  | (3,385,478)  | —                  | (3,334,886)                      | (3,334,886)           | —                   |
| United States dollar                                   | (30,800,344) | 144,235,921        | (175,036,265)                    | (30,800,344)          | (62,265,059)        |
| <b>Total forwards subject to foreign currency risk</b> |              |                    |                                  | <b>\$ (2,861,847)</b> | <b>\$ 1,268,198</b> |

| Currency   | Cost      | Exchange Purchases | Pending Foreign Exchanging Sales | Defined Contribution |                 |
|--|-----------|--------------------|----------------------------------|----------------------|-----------------|
|  |           |                    |                                  | Fair Value 2009      | Fair Value 2008 |
| British pound sterling                                 | 41,279    | 40,524             | —                                | 40,524               | —               |
| Euro   | 139,173   | 138,635            | —                                | 138,635              | —               |
| United States dollar                                   | (180,452) | —                  | (180,452)                        | (180,452)            | —               |
| <b>Total forwards subject to foreign currency risk</b> |           |                    |                                  | <b>\$ (1,293)</b>    | <b>\$ —</b>     |

## Swaps

The Systems and Plans have entered into various interest rate swap agreements in an attempt to manage their exposure to interest rate risk. Interest rate risk represents the exposure to fair value losses arising from the future changes in prevailing market interest rates. Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate. Most of the interest rate swaps were

purchased in connection with variable real estate debt. Those interest rate swaps allowed the Systems to effectively convert most of their long term variable interest rate credit facility loans into fixed interest rate loans, thereby mitigating some of their interest rate risk. As of December 31, 2009, one Goldman Sachs swap had collateral held for \$9,445,352. Gains and losses on swaps are determined based on market values and are recorded in the Statement of Changes in Plan Fiduciary Net Assets. Swap market values are determined by an independent third party. At December 31, 2009, the Systems investments had the swap market value balances as shown in the table to the right and on page 62.

## Utah Retirement Systems

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

## Real Estate Portfolio Interest Rate Swaps

| Counterparty                                 | Notional Amount        | Utah Rate | Counterparty Rate | Maturity Date | Fair Value 2009        | Fair Value 2008      |
|--|------------------------|-----------|-------------------|---------------|------------------------|----------------------|
| Morgan Stanley                               | \$ 3,260,000           | 4.2510%   | LIBOR*            | 6/1/2010      | \$ (54,159)            | (150,647)            |
| Morgan Stanley                               | 499,700                | 4.0570%   | LIBOR*            | 9/1/2010      | (12,365)               | (24,858)             |
| Morgan Stanley                               | 9,645,782              | 4.7320%   | LIBOR*            | 12/29/2010    | (401,458)              | (681,553)            |
| Morgan Stanley                               | 6,100,000              | 4.8700%   | LIBOR*            | 12/31/2010    | (263,563)              | (448,782)            |
| Morgan Stanley                               | 45,500,000             | 4.8450%   | LIBOR*            | 12/31/2010    | (1,954,449)            | (3,324,750)          |
| Morgan Stanley                               | 63,150,000             | 4.6790%   | LIBOR*            | 2/1/2011      | (2,789,815)            | (4,554,733)          |
| Merrill Lynch                                | 27,500,000             | 5.4480%   | LIBOR*            | 10/3/2011     | (2,094,821)            | (2,080,569)          |
| National Australia Bank                      | 20,000,000             | 5.3250%   | LIBOR*            | 10/3/2011     | (1,480,096)            | (2,116,116)          |
| National Australia Bank                      | 37,300,000             | 5.3320%   | LIBOR*            | 10/3/2011     | (2,764,986)            | (3,953,700)          |
| Merrill Lynch                                | 68,281,500             | 4.9220%   | LIBOR*            | 12/1/2011     | (4,830,328)            | (6,727,943)          |
| Morgan Stanley                               | 61,800,000             | 4.1630%   | LIBOR*            | 12/1/2011     | (3,469,499)            | (4,733,190)          |
| National Australia Bank                      | 6,218,500              | 4.9000%   | LIBOR*            | 12/1/2011     | (437,272)              | (608,768)            |
| Bayerische Landesbank                        | 12,464,948             | 4.5600%   | LIBOR*            | 3/1/2012      | (851,131)              | (1,160,003)          |
| Merrill Lynch                                | 3,400,000              | 4.8740%   | LIBOR*            | 3/1/2012      | (255,324)              | (349,839)            |
| Morgan Stanley                               | 19,000,000             | 4.8195%   | LIBOR*            | 3/1/2012      | (1,404,340)            | (1,800,600)          |
| Merrill Lynch                                | 5,000,000              | 4.9520%   | LIBOR*            | 6/1/2012      | (408,258)              | (556,317)            |
| Merrill Lynch                                | 40,677,000             | 4.9890%   | LIBOR*            | 6/1/2012      | (3,357,702)            | (4,576,612)          |
| National Australia Bank                      | 7,512,000              | 5.0025%   | LIBOR*            | 6/1/2012      | (622,532)              | (725,094)            |
| Morgan Stanley                               | 1,099,248              | 4.7300%   | LIBOR*            | 10/1/2012     | (88,844)               | (121,384)            |
| Morgan Stanley                               | 8,207,965              | 4.4050%   | LIBOR*            | 10/1/2012     | (590,267)              | (807,920)            |
| Morgan Stanley                               | 26,467,452             | 4.4660%   | LIBOR*            | 10/1/2012     | (1,947,599)            | (2,664,774)          |
| Morgan Stanley                               | 29,370,000             | 4.7385%   | LIBOR*            | 10/1/2012     | (2,380,395)            | (3,252,209)          |
| National Australia Bank                      | 4,856,670              | 4.6750%   | LIBOR*            | 11/1/2012     | (389,544)              | (533,961)            |
| Merrill Lynch                                | 51,917,095             | 4.8900%   | LIBOR*            | 12/31/2012    | (4,574,403)            | (6,296,537)          |
| Morgan Stanley                               | 4,869,065              | 4.7480%   | LIBOR*            | 12/31/2012    | (408,426)              | (563,401)            |
| National Australia Bank                      | 6,998,214              | 4.9325%   | LIBOR*            | 3/1/2013      | (639,255)              | (884,975)            |
| Morgan Stanley                               | 10,350,000             | 5.1760%   | LIBOR*            | 4/1/2013      | (1,036,195)            | (1,432,071)          |
| Morgan Stanley                               | 15,800,253             | 5.0175%   | LIBOR*            | 4/1/2013      | (1,501,342)            | (2,082,092)          |
| National Australia Bank                      | 1,170,000              | 5.4200%   | LIBOR*            | 5/1/2013      | (127,752)              | (176,181)            |
| National Australia Bank                      | 14,203,150             | 5.3290%   | LIBOR*            | 5/1/2013      | (1,508,296)            | (2,084,041)          |
| Morgan Stanley                               | 1,152,466              | 4.3075%   | LIBOR*            | 11/1/2013     | (84,771)               | (127,345)            |
| National Australia Bank                      | 5,128,500              | 5.3600%   | LIBOR*            | 8/1/2013      | (566,450)              | (790,330)            |
| National Australia Bank                      | 20,337,593             | 5.0770%   | LIBOR*            | 12/1/2013     | (2,095,456)            | (3,016,377)          |
| Merrill Lynch                                | 928,028                | 4.9500%   | LIBOR*            | 5/1/2014      | (93,178)               | (139,392)            |
| National Australia Bank                      | 2,443,700              | 4.9550%   | LIBOR*            | 6/1/2014      | (246,789)              | (371,635)            |
| Morgan Stanley                               | 8,703,500              | 4.6940%   | LIBOR*            | 10/1/2014     | (783,899)              | (1,251,927)          |
| Morgan Stanley                               | 13,596,699             | 4.4470%   | LIBOR*            | 10/20/2014    | (1,069,883)            | (1,782,479)          |
| Morgan Stanley                               | 31,397,826             | 4.4060%   | LIBOR*            | 11/1/2014     | (2,403,601)            | (4,050,247)          |
| Merrill Lynch                                | 35,309,122             | 5.2725%   | LIBOR*            | 2/1/2015      | (4,169,881)            | (6,451,152)          |
| Morgan Stanley                               | 32,600,000             | 5.0460%   | LIBOR*            | 9/1/2015      | (3,532,239)            | (5,846,888)          |
| Morgan Stanley                               | 32,900,000             | 4.8680%   | LIBOR*            | 1/1/2016      | (3,236,795)            | (5,691,328)          |
| Morgan Stanley                               | 133,704,000            | 5.2920%   | LIBOR*            | 5/2/2016      | (16,511,428)           | (27,700,531)         |
| Merrill Lynch                                | 7,640,000              | 5.4300%   | LIBOR*            | 7/1/2016      | (1,010,783)            | (1,679,967)          |
| Morgan Stanley                               | 17,250,000             | 5.4640%   | LIBOR*            | 7/1/2016      | (2,317,763)            | (3,834,427)          |
| Morgan Stanley                               | 44,276,861             | 5.3420%   | LIBOR*            | 9/1/2016      | (5,640,975)            | (9,599,194)          |
| National Australia Bank                      | 985,352                | 5.1100%   | LIBOR*            | 12/1/2016     | (111,393)              | (201,108)            |
| National Australia Bank                      | 11,801,225             | 5.1250%   | LIBOR*            | 12/1/2016     | (1,345,437)            | (2,421,696)          |
| National Australia Bank                      | 5,080,000              | 4.9700%   | LIBOR*            | 1/1/2017      | (528,117)              | (990,855)            |
| Morgan Stanley                               | 4,485,385              | 4.6900%   | LIBOR*            | 3/1/2018      | (370,363)              | (854,662)            |
| Morgan Stanley                               | 71,700,000             | 4.7220%   | LIBOR*            | 10/1/2020     | (5,586,832)            | (15,735,162)         |
| Morgan Stanley                               | 43,660,000             | 5.2935%   | LIBOR*            | 11/1/2021     | (5,753,101)            | (12,934,618)         |
| <b>Total Real Estate Interest Rate Swaps</b> | <b>\$1,137,698,799</b> |           |                   |               | <b>\$(100,103,550)</b> | <b>(164,944,940)</b> |

\*One month London Interbank Offered Rate (LIBOR)

## Utah Retirement Systems

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

## Fixed Income Portfolio Interest Rate Swaps

| Counterparty                                  | Notional Amount        | Utah Rate | Counterparty Rate | Maturity Date | Fair Value 2009     | Fair Value 2008  |
|---|------------------------|-----------|-------------------|---------------|---------------------|------------------|
| Goldman Sachs                                 | \$ 30,300,000          | 5.0675%   | LIBOR**           | 4/30/2009     | \$ —                | (377,274)        |
| Barclay's Bank PLC                            | 58,800,000             | LIBOR**   | 4.0500%           | 12/11/2009    | —                   | 1,526,695        |
| Goldman Sachs                                 | 33,600,000             | LIBOR**   | 4.1050%           | 12/12/2009    | —                   | 901,837          |
| Barclay's Bank PLC                            | 78,700,000             | 3.5650%   | LIBOR**           | 1/8/2010      | —                   | (2,452,591)      |
| Goldman Sachs                                 | 24,120,000             | 4.9820%   | LIBOR**           | 8/28/2010     | —                   | (1,757,991)      |
| Goldman Sachs                                 | 80,000,000             | LIBOR**   | 5.5030%           | 7/12/2012     | 9,414,456           | 10,992,192       |
| Barclay's Bank PLC                            | 56,500,000             | LIBOR**   | 5.2770%           | 8/6/2012      | —                   | 7,481,323        |
| Barclay's Bank PLC                            | 10,000,000             | LIBOR**   | 5.1375%           | 8/20/2012     | —                   | 1,277,356        |
| Barclay's Bank PLC                            | 56,100,000             | LIBOR**   | 5.0730%           | 8/22/2012     | —                   | 7,038,205        |
| Barclay's Bank PLC                            | 52,300,000             | 4.4750%   | LIBOR**           | 11/23/2012    | —                   | (4,950,770)      |
| Goldman Sachs                                 | 51,500,000             | 3.5000%   | LIBOR**           | 3/11/2013     | —                   | (3,458,802)      |
| Goldman Sachs                                 | 86,100,000             | LIBOR**   | 3.4163%           | 4/16/2013     | —                   | 4,504,459        |
| Goldman Sachs                                 | 57,100,000             | LIBOR**   | 3.4163%           | 4/16/2013     | 2,589,565           | —                |
| Goldman Sachs                                 | 19,700,000             | LIBOR**   | 4.3075%           | 6/11/2013     | —                   | 1,867,609        |
| Credit Suisse First Boston                    | 36,800,000             | LIBOR**   | 4.2838%           | 7/7/2013      | —                   | 3,877,016        |
| Credit Suisse First Boston                    | 41,400,000             | LIBOR**   | 4.2825%           | 7/9/2013      | —                   | 4,373,301        |
| Goldman Sachs                                 | 50,600,000             | 4.1150%   | LIBOR**           | 8/21/2013     | —                   | (5,064,357)      |
| Barclay's Bank PLC                            | 25,000,000             | LIBOR**   | 5.0806%           | 3/22/2017     | —                   | 5,215,230        |
| Barclay's Bank PLC                            | 43,700,000             | LIBOR**   | 5.5250%           | 6/5/2017      | —                   | 10,191,996       |
| Goldman Sachs                                 | 35,100,000             | 5.7700%   | LIBOR**           | 7/9/2017      | —                   | (9,489,345)      |
| Goldman Sachs                                 | 58,100,000             | 4.9720%   | LIBOR**           | 9/12/2017     | —                   | (11,993,496)     |
| Goldman Sachs                                 | 36,100,000             | 4.9720%   | LIBOR**           | 9/12/2017     | (3,817,160)         | —                |
| Credit Suisse First Boston                    | 66,800,000             | 4.5850%   | LIBOR**           | 1/7/2018      | (5,662,355)         | (11,931,976)     |
| Goldman Sachs                                 | 7,000,000              | 4.4575%   | LIBOR**           | 1/8/2018      | —                   | (1,173,495)      |
| Credit Suisse First Boston                    | 7,000,000              | 4.1150%   | LIBOR**           | 9/22/2018     | —                   | (1,012,242)      |
| Credit Suisse First Boston                    | 29,900,000             | 3.6000%   | LIBOR**           | 9/12/2019     | 812,547             | —                |
| Deutsche Bank, AG                             | 11,400,000             | LIBOR**   | 3.6700%           | 12/21/2019    | (260,717)           | —                |
| Goldman Sachs                                 | 4,000,000              | LIBOR**   | 5.4110%           | 4/30/2027     | —                   | 1,496,471        |
| <b>Total Fixed Income Interest Rate Swaps</b> | <b>\$1,147,720,000</b> |           |                   |               | <b>\$ 3,076,336</b> | <b>7,081,351</b> |

\*\*Three Month London Interbank Offered Rate (LIBOR)

## Derivative Credit Risk

Derivatives which are exchange traded are not subject to credit risk. No derivatives held are subject to custodial credit risk. The maximum loss that would be recognized at December 31, 2009, if all counterparties fail to perform as contracted is \$20,597,596. This maximum exposure is reduced

by \$9,445,352 in collateral held and \$19,620,480 of liabilities, resulting in no net exposure to credit risk. Credit ratings for the wrap contracts associated with the SGICs are noted on page 63. At December 31, 2009, the counterparties' credit ratings for currency forwards, swaptions and swaps are subject to credit risk.

## Credit Risk Derivatives at Fair Value

| Quality Rating                      | Forwards              | Options        | Swaps               | Total               |
|-------------------------------------|-----------------------|----------------|---------------------|---------------------|
| AA                                  | \$ (2,574,313)        | —              | (12,863,375)        | (15,437,688)        |
| AA-                                 | 2,485,536             | —              | —                   | 2,485,536           |
| A+                                  | (2,177,927)           | 762,375        | 2,225,205           | 809,653             |
| A                                   | 114,947               | —              | (86,389,044)        | (86,274,097)        |
| A-                                  | (711,382)             | —              | —                   | (711,382)           |
| <b>Total subject to credit risk</b> | <b>\$ (2,863,139)</b> | <b>762,375</b> | <b>(97,027,214)</b> | <b>(99,127,978)</b> |



**Utah Retirement Systems**

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

**Synthetic Guaranteed Investment Contracts  
Underlying Investments**

|  | <i>(in thousands)</i>     |                |                                |                |                              |                |
|--|---------------------------|----------------|--------------------------------|----------------|------------------------------|----------------|
|  | 1-5 Yr. Government/Credit |                | Intermediate Government/Credit |                | Total underlying Investments |                |
|  | Fair Value                | Market Value   | Fair Value                     | Market Value   | Fair Value                   | Market Value   |
| <b>Asset Backed Securities</b>             | \$ 11,977                 | 11,771         | 12,197                         | 7,843          | 24,174                       | 19,614         |
| <b>Agencies</b>                            | 197,548                   | 194,142        | 58,585                         | 129,365        | 256,133                      | 323,507        |
| <b>Corporates</b>                          | 13,999                    | 13,758         | 62,944                         | 9,168          | 76,943                       | 22,926         |
| <b>Mortgage Back Securities</b>            | 60,042                    | 59,007         | 22,299                         | 39,319         | 82,341                       | 98,326         |
| <b>Treasuries</b>                          | 189,563                   | 186,295        | 121,495                        | 124,136        | 311,058                      | 310,431        |
| <b>Commercial Mortgage Back Securities</b> | 31,836                    | 31,287         | 21,015                         | 20,848         | 52,851                       | 52,135         |
| <b>Cash</b>                                | 13,533                    | 13,300         | 39,327                         | 8,862          | 52,860                       | 22,162         |
| <b>Total</b>                               | <b>\$518,498</b>          | <b>509,560</b> | <b>337,862</b>                 | <b>339,541</b> | <b>856,360</b>               | <b>849,101</b> |

**Wrap Contracts**

| Contract Issuer                   | <i>(in thousands)</i> |                |       |          |                |  |
|-----------------------------------|-----------------------|----------------|-------|----------|----------------|--|
|                                   | Fair Value            | Market Value   | Rate  | Duration | Quality Rating |  |
| <b>Bank of America</b>            | \$ 99,463             | 98,125         | 2.15% | 2.60     | A+             |  |
| <b>NATIXIS Financial</b>          | 69,031                | 67,885         | 1.82  | 2.60     | A+             |  |
| <b>JP Morgan Chase</b>            | 63,573                | 64,168         | 3.61  | 3.67     | AA-            |  |
| <b>MetLife</b>                    | 35,417                | 35,878         | 3.63  | 3.67     | AA-            |  |
| <b>Monumental Life</b>            | 88,809                | 87,066         | 1.72  | 2.60     | AA-            |  |
| <b>Monumental Life</b>            | 67,495                | 67,654         | 3.25  | 3.67     | AA-            |  |
| <b>Pacific Life</b>               | 175,283               | 172,133        | 1.94  | 2.60     | AA-            |  |
| <b>Rabobank</b>                   | 73,687                | 73,809         | 3.40  | 3.67     | AAA            |  |
| <b>Royal Bank of Canada</b>       | 97,690                | 98,032         | 3.41  | 3.67     | AA-            |  |
| <b>State Street Bank</b>          | 85,912                | 84,351         | 1.87  | 2.60     | AA-            |  |
| <b>Subtotal wrap contracts</b>    | <b>856,360</b>        | <b>849,101</b> |       |          |                |  |
| <b>Bank of America Repurchase</b> | 27,864                | 27,864         | 0.12% |          |                |  |
| <b>Total</b>                      | <b>\$884,224</b>      | <b>876,965</b> |       |          |                |  |

**Synthetic Guaranteed  
Investment Contracts**

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

December 31, 2009, is \$856,360,000 and the market value is \$849,101,000.

**J) Investment Payables**

The investment accounts payable are comprised of investment advisor fees payable of \$9,990,000, administrative expenses payable of \$6,609,000, investment purchases payable of \$539,203,000 and various real estate payables of \$6,234,000.

**K) Investment Compliance Officer**

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

**Utah Retirement Systems**

Notes to the Basic Financial Statements (Continued)

December 31, 2009



**Note 4**  
**Property and Equipment**

Property and equipment consist of the amounts shown in the following table as of December 31, 2009 and 2008. There were no significant leases as of December 31, 2009 or 2008.

**Property and Equipment**

|  | <i>(in thousands)</i> |               |
|--|-----------------------|---------------|
|  | 2009                  | 2008          |
| <b>Land</b>                                | <b>\$ 1,780</b>       | <b>1,780</b>  |
| <b>Buildings and building improvements</b> | <b>11,448</b>         | <b>11,405</b> |
| <b>Furniture and equipment</b>             | <b>4,533</b>          | <b>3,874</b>  |
| <b>Total property and equipment</b>        | <b>17,761</b>         | <b>17,059</b> |
| <b>Less accumulated depreciation:</b>      |                       |               |
| <b>Buildings and building improvements</b> | <b>7,170</b>          | <b>6,837</b>  |
| <b>Furniture and equipment</b>             | <b>3,522</b>          | <b>2,942</b>  |
| <b>Total accumulated depreciation</b>      | <b>10,692</b>         | <b>9,779</b>  |
| <b>Less operating reserves</b>             | <b>6,747</b>          | <b>6,755</b>  |
| <b>Net property and equipment</b>          | <b>\$ 322</b>         | <b>525</b>    |

**Note 5**  
**Actuarial Valuations and Methods**

**A) Actuarial Asset Valuation**

The actuarial value of assets is used in determining the funding progress of the Retirement Systems. The actuarial value of assets is based on a smoothed expected income investment rate. Beginning with the 2008 actuarial study, the investment rate of return assumption was changed from 8% to 7.75%. Investment income in excess or shortfall of the expected rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

In 2009 two changes were made to the actuarial valuation. The first change was to increase the amortization period for amortizing the unfunded actuarial accrued liability (UAAL) from 20 years to 25 years. This funding period will be closed (i.e. the funding period will decrease by one year each year) until the funding period reaches 20 years, at which time the period will once again revert to an open 20 year amortization period. The second change was to widen the corridor used to determine the actuarial value of assets from 80% – 120% to 75% – 125% of market value. This change allows more of the 2008 investment losses to be smoothed into the actuarial value of assets over the next four years rather than being recognized in this valuation.

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

The calculations on page 65 were utilized in determining the actuarial value of assets as of January 1, 2009, and December 31, 2009, and the next table shows the smoothed actuarial value of assets for each System.

**Utah Retirement Systems**

Notes to the Basic Financial Statements (Continued)

December 31, 2009

**Calculation of Actuarial Value of Assets**

| January 1, 2009  |                           |                  |                     |
|--|---------------------------|------------------|---------------------|
| <i>(dollars in thousands)</i>  |                           |                  |                     |
| <b>1. Fair value of assets</b>   |                           |                  | <b>\$15,886,067</b> |
| <b>2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:</b> |                           |                  |                     |
|  | Total Excess/ (Shortfall) | Percent Deferred | Amount Deferred     |
| a. 2008  | \$(6,490,100)             | 80%              | \$(5,192,080)       |
| b. 2007  | (286,303)                 | 60%              | (171,782)           |
| c. 2006  | 1,116,942                 | 40%              | 446,777             |
| d. 2005  | 199,197                   | 20%              | 39,839              |
| e. 2004  | 804,061                   | 0%               | 0                   |
| f. *Adjustment   |                           |                  | 905,733             |
| <b>g. Total deferred gains (losses)</b>  |                           |                  | <b>(3,971,513)</b>  |
| <b>h. Total deferred losses</b>  |                           |                  | <b>3,971,513</b>    |
| <b>3. Actuarial value of assets available for benefits</b>   |                           |                  | <b>\$19,857,580</b> |

| December 31, 2009  |                           |                  |                     |
|--|---------------------------|------------------|---------------------|
| <i>(dollars in thousands)</i>  |                           |                  |                     |
| <b>1. Fair value of assets</b>   |                           |                  | <b>\$17,717,845</b> |
| <b>2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:</b> |                           |                  |                     |
|  | Total Excess/ (Shortfall) | Percent Deferred | Amount Deferred     |
| a. 2009  | \$ 855,755                | 80%              | \$684,605           |
| b. 2008  | (6,490,100)               | 60%              | (3,894,059)         |
| c. 2007  | (286,303)                 | 40%              | (114,520)           |
| d. 2006  | 1,116,942                 | 20%              | 223,389             |
| e. 2005  | 199,197                   | 0%               | 0                   |
| <b>g. Total deferred gains (losses)</b>  |                           |                  | <b>(3,100,585)</b>  |
| <b>h. Total deferred losses</b>  |                           |                  | <b>3,100,585</b>    |
| <b>3. Actuarial value of assets available for benefits</b>   |                           |                  | <b>\$20,818,430</b> |

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

**Actuarial Value of Assets by System**

| January 1, 2009   |                        |                     |                      |                     |                |                           |                   |
|---|------------------------|---------------------|----------------------|---------------------|----------------|---------------------------|-------------------|
| <i>(in thousands)</i>   |                        |                     |                      |                     |                |                           |                   |
| Calculation of Net Assets Available Based on Five Year Expected Investment Income                               | Noncontributory System | Contributory System | Public Safety System | Firefighters System | Judges System  | Governors and Legislative | Total All Systems |
| <b>1. Net assets available for benefits at fair value</b>   | <b>\$12,714,371</b>    | <b>835,370</b>      | <b>1,614,057</b>     | <b>612,699</b>      | <b>100,895</b> | <b>8,675</b>              | <b>15,886,067</b> |
| <b>2. Deferral to smooth asset values based on excess/shortfall of expected investment income on fair value</b> | <b>3,125,090</b>       | <b>262,341</b>      | <b>403,519</b>       | <b>153,172</b>      | <b>25,225</b>  | <b>2,166</b>              | <b>3,971,513</b>  |
| <b>3. Actuarial value of assets available for benefits (1-2)</b>  | <b>\$15,839,461</b>    | <b>1,097,711</b>    | <b>2,017,576</b>     | <b>765,871</b>      | <b>126,120</b> | <b>10,841</b>             | <b>19,857,580</b> |

**B) Actuarial Accrued Liability**

The actuarial accrued liability for the Systems is presented in the Required Supplementary Information Schedule of Funding Progress on page 74 and 75 of this report.

**C) Actuarial Cost Method and Assumptions**

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

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

A schedule of the actuarial assumptions used in the actuarial report dated January 1, 2009, is presented in Notes to Required Supplementary Information on page 77.

Actuarial valuations of the ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress on page 71, presented as required supplementary information, shows the actuarial value of plan assets compared to the actuarial accrued liabilities for benefits.

**Utah Retirement Systems**

Notes to the Basic Financial Statements (Continued)

December 31, 2009



**Note 6**  
**Actuarially Determined Contribution Requirements and Contributions Made**

Employer contribution rates consist of (1) an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and (2) an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 25 year amortization period. The rates are determined using the entry age actuarial cost method with a supplemental present value and the same actuarial assumptions that were used to calculate

the actuarial accrued liability in the Schedules of Funding Progress on pages 74 and 75.

The schedule below summarizes contribution rates in effect at December 31, 2009.

Contributions made by employers and members were in accordance with actuarially computed funding requirements. Fire insurance premium taxes and court fees are considered as part of employer contributions in the schedule shown on the top of page 67 for the Firefighters and Judges Systems, respectively. These contribution rates also include rates for a 3% benefit enhancement which is funded by the State. For contribution rate purposes the actuary evaluates the assets of the Systems based on a five-year smoothed expected return wherein 20% of a year's excess or shortfall of expected return is recognized each year for five years.

The actuary recommended some increases in contribution rates which became effective July 1, 2009.

Information with regard to contributions to the Retirement Systems for the year ended December 31, 2009, is indicated in the schedule on page 76.

Member contributions in the 401(k), 457, Roth and Traditional IRA Plans, total \$255,770,000 which in combination with the member contributions made in the Retirement Systems total \$291,430,000.

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

**Contribution Rates**

| System                                | Contribution Rates as a Percent of Covered Payroll |                     |               |
|---------------------------------------|--|---------------------|---------------|
|                                       | Member   | Employer            | Other         |
| <b>Noncontributory</b>                | —  | <b>11.66-14.22%</b> | —             |
| <b>Contributory</b>                   | <b>6.00%</b>                                       | <b>7.65-9.73</b>    | —             |
| <b>Public Safety: Noncontributory</b> | —  | <b>23.07-35.71</b>  | —             |
| <b>Contributory</b>                   | <b>10.50-12.29</b>                                 | <b>12.47-19.17</b>  | —             |
| <b>Firefighters: Division A</b>       | <b>13.49</b>                                       | <b>0.00</b>         | <b>12.34%</b> |
| <b>Division B</b>                     | <b>9.68</b>  | <b>0.00</b>         | <b>12.34</b>  |
| <b>Judges: Noncontributory</b>        | —  | <b>13.51</b>        | <b>13.83</b>  |
| <b>Governors and Legislators</b>      | —  | —                   | —             |

**Utah Retirement Systems**

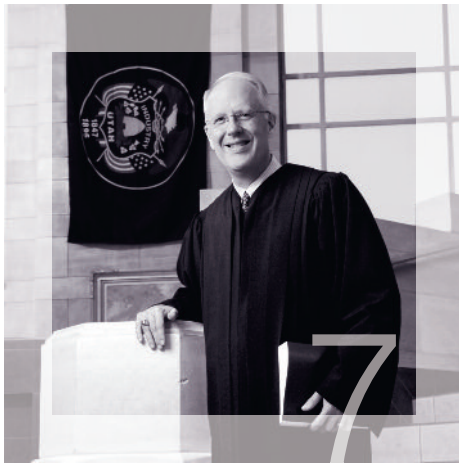
Notes to the Basic Financial Statements (Continued)

December 31, 2009

**Required Contributions**

(dollars in thousands)

| System                               | Contribution Requirements |                                  |                                     |                                  | Total<br>Required<br>Contributions | Contributions Made               |               |                                  |                |                                  |                                   |            |
|--------------------------------------|---------------------------|----------------------------------|-------------------------------------|----------------------------------|------------------------------------|----------------------------------|---------------|----------------------------------|----------------|----------------------------------|-----------------------------------|------------|
|                                      | Normal Cost               |                                  | Unfunded Cost<br>(assets in excess) |                                  |                                    | Member                           |               |                                  | Employer       |                                  |                                   |            |
|                                      | Amount                    | Percent of<br>Covered<br>Payroll | Amount                              | Percent of<br>Covered<br>Payroll |                                    | Total<br>Actual<br>Contributions | Amount        | Percent of<br>Covered<br>Payroll | Amount         | Percent of<br>Covered<br>Payroll | Percent<br>Covered<br>Contributed |            |
| <b>Noncontributory</b>               | \$515,450                 | 13.03%                           | \$33,957                            | 0.86%                            | \$549,407                          | \$549,407                        | \$14,109      | 0.36%                            | \$535,298      | 13.53%                           | \$3,955,040                       | 100%       |
| <b>Contributory</b>                  | 15,209                    | 11.90                            | 4,311                               | 3.37                             | 19,520                             | 19,520                           | 8,655         | 6.77                             | 10,865         | 8.50                             | 127,804                           | 100        |
| <b>Public Safety</b>                 | 85,897                    | 22.97                            | 14,388                              | 3.85                             | 100,285                            | 100,285                          | 1,556         | 0.42                             | 98,729         | 26.40                            | 373,959                           | 100        |
| <b>Firefighters</b>                  | 15,877                    | 14.75                            | (4,604)                             | (4.28)                           | 11,273                             | 11,273                           | 11,273        | 10.47                            | —              | 0.00                             | 107,625                           | 100        |
| <b>Judges</b>                        | 1,936                     | 13.41                            | 214                                 | 1.48                             | 2,150                              | 2,150                            | 67            | 0.46                             | 2,083          | 14.43                            | 14,434                            | 100        |
| <b>Governors<br/>and Legislators</b> | —                         | 0.00                             | —                                   | 0.00                             | —                                  | —                                | —             | 0.00                             | —              | 0.00                             | 910                               | 100        |
| <b>Total</b>                         | <b>\$634,369</b>          |                                  | <b>48,266</b>                       |                                  | <b>682,635</b>                     | <b>682,635</b>                   | <b>35,660</b> |                                  | <b>646,975</b> |                                  | <b>4,579,772</b>                  | <b>100</b> |



**Note 7  
Funded Status**

The funded status of the Retirement Systems as of January 1, 2009, the most recent actuarial valuation date is as shown below.

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

**Funded Status**

| System  | Date    | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age | (3)<br>Unfunded<br>AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded<br>Ratios<br>(1)/(2) | (5)<br>Annual<br>Covered<br>Payroll | (6)<br>UAAL as<br>a % of<br>Covered<br>Payroll<br>(3)/(5) |
|---|---------|--|--|---|------------------------------------|-------------------------------------|---|
| <b>Noncontributory Retirement System</b>                  | 1/01/09 | \$15,839,461                           | 18,306,590   | 2,467,129                                   | 86.5%                              | \$3,871,636                         | 63.7%   |
| <b>Contributory Retirement System</b>                     | 1/01/09 | 1,097,711                              | 1,218,572  | 120,861                                     | 90.1                               | 133,110                             | 90.8  |
| <b>Public Safety Retirement System</b>                    | 1/01/09 | 2,017,576                              | 2,473,667  | 456,091                                     | 81.6                               | 365,043                             | 124.9   |
| <b>Firefighters Retirement System</b>                     | 1/01/09 | 765,871                                | 776,622  | 10,751                                      | 98.6                               | 102,252                             | 10.5  |
| <b>Judges Retirement System</b>                           | 1/01/09 | 126,120                                | 145,965  | 19,845                                      | 86.4                               | 14,404                              | 137.8   |
| <b>Utah Governors and<br/>Legislative Retirement Plan</b> | 1/01/09 | 10,841                                 | 10,982   | 141   | 98.7                               | 910                                 | 15.5  |

**Utah Retirement Systems**

Notes to the Basic Financial Statements (Continued)

December 31, 2009

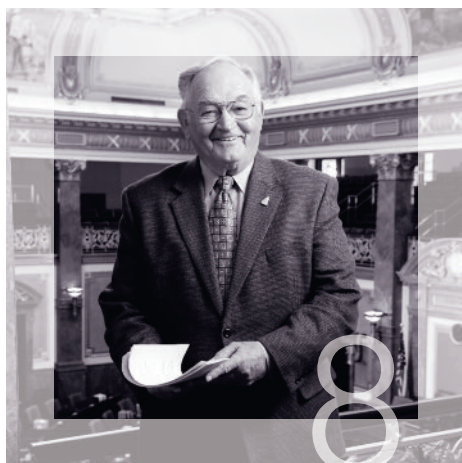
present multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. These schedules are presented in the Required Supplementary Information section.

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

**Summary of Actuarial Assumptions**

|  | Noncontributory  | Contributory                           | Public Safety                           | Firefighters                           | Judges                                 | Governors and Legislators              |
|--|--|--|---|--|--|--|
| <b>Valuation date</b>  | 1/1/09   | 1/1/09                                 | 1/1/09                                  | 1/1/09                                 | 1/1/09                                 | 1/1/09                                 |
| <b>Actuarial cost method</b>   | Entry Age  | Entry Age                              | Entry Age                               | Entry Age                              | Entry Age                              | Entry Age                              |
| <b>Amortization method</b>   | Level Percent of Payroll   | Level Percent of Payroll               | Level Percent of Payroll                | Level Percent of Payroll               | Level Percent of Payroll               | Level Dollar Amount                    |
| <b>Amortization period</b>   | Open Group<br>25 Year<br>Closed Period   | Open Group<br>25 Year<br>Closed Period | Open Group<br>25 Year<br>Closed Period  | Open Group<br>25 Year<br>Closed Period | Open Group<br>25 Year<br>Closed Period | Open Group<br>25 Year<br>Closed Period |
| <b>Actuarial asset valuation method (All Systems under same method.)</b> | 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. |  |   |  |  |  |
| <b>Actuarial assumptions:</b>  |  |  |   |  |  |  |
| Investment rate of return  | 7.75%  | 7.75%                                  | 7.75%                                   | 7.75%                                  | 7.75%                                  | 7.75%                                  |
| Projected salary increases   | 4.00-12.00%  | 4.00-12.00%                            | 4.00-9.75%                              | 4.00-10.25%                            | 4.0%                                   | 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% or 3.00%<br>Depending on employer | 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.



**Note 8**  
**Transfers To or From Affiliated System**

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.

**Utah Retirement Systems**

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

**Note 9****Supplemental Benefits**

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

**Note 10****Litigation**

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

**Note 11****Commitments**

At December 31, 2009, the Systems had committed to fund certain private equity partnerships and real estate projects for an amount of \$6,143,687,000. Funding of \$3,865,661,000 had been provided by December 31, 2009, leaving an unfunded commitment as of December 31, 2009, of \$2,278,026,000 which will be funded over the next five years. In addition, URS has a partial loan guarantee against real estate investments of up to \$11,230,000.

**Note 12****Pension Plan Participation**

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

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

**Funding Policy:** In the State and School Noncontributory Retirement System, the Utah Retirement Systems is required to contribute 14.22% of its annual covered salary. The contribution rates are the actuarial determined rates. The contributions were equal to the requirements of the Systems, are authorized by statute, and specified by the Board.

The Utah Retirement Systems' contributions to the State and School Noncontributory Retirement System for the years ending December 31, 2009, 2008, and 2007 were \$1,543,302, \$1,426,976, and \$1,295,851 respectively. The contributions were equal to the required contributions for each year.

## Utah Retirement Systems

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

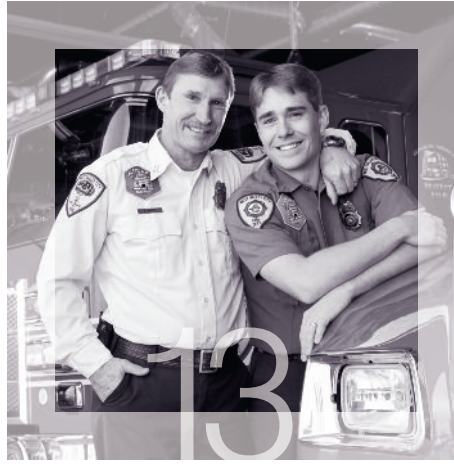
December 31, 2009

**Defined Contribution Plans** — Utah Retirement Systems also participates in four defined contribution plans, the 401(k), 457, Roth and Traditional IRA Plans.

**401(k) Plan** —The Utah Retirement Systems offers its employees a 401(k) plan to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5% of covered salaries automatically made by Utah Retirement Systems. Employees participating in the Systems can make additional contributions through payroll deduction to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended December 31, 2009, 2008, 2007 are \$390,188, \$364,663, and \$326,645 respectively; the employee contributions for the years ending December 31, 2009, 2008, 2007 are: \$486,056, \$506,224, and \$457,066 respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by Utah Retirement Systems.

**457 Plan** — The Utah Retirement Systems also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan for the years ended December 31, 2009, 2008, 2007 are: \$260,055, \$272,704, and \$277,222 respectively.

**Roth and Traditional IRAs** — Utah Retirement Systems offers its employees two tax-advantaged savings plans authorized by section 408 of the Internal Revenue Code. Employees are eligible to participate from the date of employment and are vested immediately upon participating. For the years ended 2009, 2008 and 2007 the Roth IRA employee contributions were \$58,719, \$65,490, and \$51,681 respectively. For the years ended 2009, 2008 and 2007 the traditional IRA employee contributions were \$400, \$1,564, and \$2,877 respectively.



#### Note 13

### Post Employment Healthcare Plan

#### Plan Description

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

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

#### Funding Policy

The contribution requirements of Utah Retirement Employees Post Employment Healthcare Plan are determined by the Plan and approved by the Board. Utah Retirement Office is required to contribute the annual required contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over an open twenty year period using the level percent of active member payroll method. The current contribution rate is 2.53 percent of annual covered salaries and wages.



**Utah Retirement Systems**

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

**Annual Costs**

For the calendar year ending December 31, 2009, the annual cost (expense) of \$220,000 for UREPEHP was equal to the ARC. The net Other Post Employment Benefits (OPEB) obligation for 2009 was as follows:

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

**Funded Status and Funding Progress**

The funded status of the plan as of January 1, 2009, the date of the most recent actuarial valuation, was as follows:

|   |         |
|---|---------|
| Actuarial accrued liability (AAL)                     | \$7,008 |
| Actuarial value of plan assets                        | 4,206   |
| <hr/>   |         |
| Unfunded actuarial accrued liability (UAAL)           | \$2,802 |
| <hr/>   |         |
| Funded ratio<br>(actuarial value of plan assets/AAL)  | 60%     |
| Covered salaries and wages<br>(active) (plan members) | \$8,673 |
| UAAL as a percentage of covered salaries and wages    | 32%     |

Actuarial valuations of the ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress below, presented as required supplementary information, shows the actuarial value of plan assets compared to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

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

In the January 1, 2009, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.75 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.0 percent, reduced by decrements to an ultimate rate of 4.5 percent after 10 years. Both rates include a 3.0 percent inflation assumption. The actuarial value of UREPEHP assets is based on smoothed expected income investment rate. Investment income in excess or shortfall of the expected rate on air value is smoothed over a five-year period with 20% of a year's excess of shortfall being recognized each year beginning with the current year. The actuarial accrued liability was computed using likely health benefits to be paid to retirees and to be paid active employees after their service that were discounted using the investment return, health cost increase and various mortality assumptions.

**Schedule of Funding Progress***(dollars in thousands)*

| Division      | Date*    | Based on fair value of assets       |   | (3)<br>Unfunded<br>AAL (UAAL)<br>(2) - (1) | (4)<br>Funding<br>Ratios<br>(1) / (2) | (5)<br>Annual<br>Covered<br>Payroll | (6)<br>UAAL as a %<br>of Covered<br>Payroll (3)/(5) |
|---------------|----------|-------------------------------------|---|--|---------------------------------------|-------------------------------------|---|
|               |          | (1)<br>Actuarial Value<br>of Assets | (2)<br>Accrued Liability<br>(AAL) Entry Age |  |                                       |                                     |   |
| URS Employees | 12/31/06 | \$4,085                             | 5,495                                       | 1,410                                      | 74.3%                                 | \$8,463                             | 16.7%   |
|               | 12/31/07 | 4,559                               | 5,990                                       | 1,431                                      | 76.1                                  | 9,131                               | 15.7  |
|               | 12/31/08 | 4,206                               | 7,008                                       | 2,802                                      | 60.0                                  | 8,673                               | 32.3  |
|               | 12/31/09 | 4,654                               | 7,539                                       | 2,885                                      | 61.7                                  | 8,678                               | 33.2  |

**Schedule of Required Contributions***(dollars in thousands)*

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

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

**Utah Retirement Systems**

## Notes to the Basic Financial Statements (Continued)

December 31, 2009

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

The compensated absences liability for Utah Retirement Office employees at December 31, 2009, is \$3,187,000. This represents the amount of unused leave to be paid to employees upon termination. At December 31, 2009 the insurance reserve was \$5,787,000. The insurance reserve coverage is explained in Note 16, Risk Management.

**Note 15****Required Supplementary  
Information**

The historical trend information designed to provide Information about the Utah Retirement Systems' progress made in accumulating sufficient assets to pay benefits when due is required supplementary information. Required supplementary information is included immediately following the notes to the financial statements on pages 74 through 77. Other supplementary information presented in succeeding sections of this report is for the benefit of statement users and is not a required part of the basic financial statements.

**Note 16****Risk Management**

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

## Utah Retirement Systems

## Notes to the Basic Financial Statements (Continued)

December 31, 2009



## Note 17

## Real Estate Liabilities

The real estate liabilities consist of six credit facility (lines of credit) loans, eight private placement notes and two mortgage loans. These loans and notes bear various interest rates and are scheduled to be repaid over the next eight years. The mortgages are secured by real estate. The rest of the liabilities are unsecured. As mentioned in Note 3, page 60, the Systems and Plans entered into various interest rate swap agreements that effectively changed credit facility liabilities from variable interest rates to fixed interest rates. As of December 31, 2009, there are \$990 million in credit facility debt, \$71.8 million in private placement notes, and \$22.8 million in mortgages. Using interest rates as of December 31, 2009, principal and interest requirements of the debt and net swap payments for the terms of the debt and swaps are shown on page 73.

## Real Estate Liabilities

|                                    | <i>(in thousands)</i>    |                   |                      |
|------------------------------------|--------------------------|-------------------|----------------------|
|                                    | Initial/Affected Balance | Maturity Date     | Annual Payment       |
| <b>BNP Paribas Credit Facility</b> | <b>\$ 425,000</b>        | <b>3/23/2012</b>  | <b>Interest Only</b> |
| <b>BNP Paribas Credit Facility</b> | <b>100,000</b>           | <b>3/31/2012</b>  | <b>Interest Only</b> |
| <b>KBC Bank Credit Facility</b>    | <b>100,000</b>           | <b>12/15/2010</b> | <b>Interest Only</b> |
| <b>KBC Bank Credit Facility</b>    | <b>50,000</b>            | <b>12/18/2012</b> | <b>Interest Only</b> |
| <b>Landesbank Baden-Wurtemberg</b> | <b>200,000</b>           | <b>6/1/2011</b>   | <b>Interest Only</b> |
| <b>The Northern Trust</b>          | <b>115,000</b>           | <b>8/1/2010</b>   | <b>Interest Only</b> |
| <b>Private Placement Notes:</b>    |                          |                   |                      |
| Allstate Insurance Co.             | 5,000                    | 7/1/2011          | Interest Only        |
| Allstate Insurance Co.             | 5,000                    | 7/1/2011          | Interest Only        |
| Allstate Insurance Co.             | 5,000                    | 7/1/2011          | Interest Only        |
| Allstate Insurance Co.             | 5,000                    | 7/1/2011          | Interest Only        |
| State Farm Life Insurance Co.      | 24,160                   | 7/1/2016          | \$4,296              |
| State Farm Life & Acc. Assur. Co.  | 620                      | 7/1/2016          | 110                  |
| Northwestern Mutual Life Ins. Co.  | 20,000                   | 7/1/2014          | Interest Only        |
| Modern Woodmen of America          | 7,000                    | 7/1/2014          | Interest Only        |
| <b>Northwestern Mutual</b>         | <b>16,194</b>            | <b>1/15/2018</b>  | <b>\$1,473</b>       |
| <b>Aegon USA</b>                   | <b>6,587</b>             | <b>10/1/2012</b>  | <b>629</b>           |
| <b>Total</b>                       | <b>\$1,084,561</b>       |                   |                      |

|                          | <i>(in thousands)</i>    |                          |                       |                |
|--------------------------|--------------------------|--------------------------|-----------------------|----------------|
| Year Ending December 31, | Total Principal Payments | Total Interest Payments* | Total Swap Payments** | Total Payments |
| <b>2010</b>              | <b>\$218,985</b>         | <b>8,558</b>             | <b>54,316</b>         | <b>281,859</b> |
| <b>2011</b>              | <b>224,193</b>           | <b>7,045</b>             | <b>47,218</b>         | <b>278,456</b> |
| <b>2012</b>              | <b>585,355</b>           | <b>4,250</b>             | <b>34,545</b>         | <b>624,150</b> |
| <b>2013***</b>           | <b>18,353</b>            | <b>2,146</b>             | <b>23,941</b>         | <b>44,440</b>  |
| <b>2014</b>              | <b>30,975</b>            | <b>1,161</b>             | <b>19,956</b>         | <b>52,092</b>  |
| <b>2015 – 2019</b>       | <b>6,700</b>             | <b>275</b>               | <b>47,733</b>         | <b>54,708</b>  |
| <b>2020 – 2021</b>       | <b>0</b>                 | <b>0</b>                 | <b>6,564</b>          | <b>6,564</b>   |

\*Interest calculated using December 31, 2009 One Month LIBOR for variable interest loans.

\*\*Interest rate swaps listed on pages 61; swap payments calculated using December 31, 2009 One Month LIBOR.

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

# Required Supplementary Information

## Schedules of Funding Progress

(dollars in thousands)

| System   | Date     | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age | (3)<br>Unfunded<br>AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded<br>Ratios<br>(1)/(2) | (5)<br>Annual<br>Covered<br>Payroll | (6)<br>UAAL as<br>a % of<br>Covered<br>Payroll<br>(3)/(5) |
|--|----------|--|--|---|------------------------------------|-------------------------------------|---|
| <b>Noncontributory<br/>Retirement<br/>System</b> | 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  |
|  | 1/01/05  | 12,212,437                             | 13,235,444   | 1,023,007                                   | 92.3                               | 3,084,317                           | 33.2  |
|  | 1/01/06  | 13,069,362                             | 14,018,540   | 949,178                                     | 93.2                               | 3,165,504                           | 30.0  |
|  | 1/01/07  | 14,446,928                             | 15,084,061   | 637,133                                     | 95.8                               | 3,326,392                           | 19.2  |
|  | 1/01/08  | 16,199,077                             | 17,025,185   | 826,108                                     | 95.1                               | 3,582,495                           | 23.1  |
|  | 1/01/09  | 15,839,461                             | 18,306,590   | 2,467,129                                   | 86.5                               | 3,871,636                           | 63.7  |
|  | 12/31/09 | 16,622,548                             | 19,429,734   | 2,807,186                                   | 85.6                               | 3,955,040                           | 71.0  |
| <b>Contributory<br/>Retirement<br/>System</b>    | 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  |
|  | 1/01/05  | 933,974                                | 1,013,836  | 79,862                                      | 92.1                               | 139,362                             | 57.3  |
|  | 1/01/06  | 951,540                                | 1,027,309  | 75,769                                      | 92.6                               | 137,730                             | 55.0  |
|  | 1/01/07  | 1,004,452                              | 1,062,967  | 58,515                                      | 94.5                               | 133,812                             | 43.7  |
|  | 1/01/08  | 1,102,107                              | 1,170,251  | 68,144                                      | 94.2                               | 132,899                             | 51.3  |
|  | 1/01/09  | 1,097,711                              | 1,218,572  | 120,861                                     | 90.1                               | 133,110                             | 90.8  |
|  | 12/31/09 | 1,114,019                              | 1,234,895  | 120,876                                     | 90.2                               | 127,804                             | 94.6  |
| <b>Public Safety<br/>Retirement<br/>System</b>   | 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  |
|  | 1/01/05  | 1,524,904                              | 1,726,785  | 201,881                                     | 88.3                               | 293,797                             | 68.7  |
|  | 1/01/06  | 1,633,022                              | 1,834,452  | 201,430                                     | 89.0                               | 298,756                             | 67.4  |
|  | 1/01/07  | 1,809,198                              | 1,968,982  | 159,784                                     | 91.9                               | 316,662                             | 50.5  |
|  | 1/01/08  | 2,038,613                              | 2,247,826  | 209,213                                     | 90.7                               | 339,187                             | 61.7  |
|  | 1/01/09  | 2,017,576                              | 2,473,667  | 456,091                                     | 81.6                               | 365,043                             | 124.9   |
|  | 12/31/09 | 2,137,027                              | 2,644,070  | 507,043                                     | 80.8                               | 373,959                             | 135.6   |

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)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age | (3)<br>Unfunded<br>AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded<br>Ratios<br>(1)/(2) | (5)<br>Annual<br>Covered<br>Payroll | (6)<br>UAAL as<br>a % of<br>Covered<br>Payroll<br>(3)/(5) |
|---|----------|--|--|---|------------------------------------|-------------------------------------|---|
| <b>Firefighters<br/>Retirement<br/>System</b>                 | 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)  |
|   | 1/01/05  | 610,688                                | 578,891  | (31,797)                                    | 105.5                              | 79,638                              | (39.9)  |
|   | 1/01/06  | 644,496                                | 614,359  | (30,137)                                    | 104.9                              | 84,061                              | (35.9)  |
|   | 1/01/07  | 705,051                                | 643,765  | (61,286)                                    | 109.5                              | 88,682                              | (69.1)  |
|   | 1/01/08  | 787,663                                | 732,829  | (54,834)                                    | 107.5                              | 95,767                              | (57.3)  |
|   | 1/01/09  | 765,871                                | 776,622  | 10,751                                      | 98.6                               | 102,252                             | 10.5  |
|   | 12/31/09 | 802,576                                | 825,154  | 22,578                                      | 97.3                               | 107,625                             | 21.0  |
| <b>Judges<br/>Retirement<br/>System</b>                       | 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   |
|   | 1/01/05  | 100,814                                | 104,210  | 3,396                                       | 96.7                               | 11,646                              | 29.2  |
|   | 1/01/06  | 106,374                                | 106,962  | 588   | 99.5                               | 11,594                              | 5.1   |
|   | 1/01/07  | 116,879                                | 117,127  | 248   | 99.8                               | 12,195                              | 2.0   |
|   | 1/01/08  | 129,847                                | 135,379  | 5,532                                       | 95.9                               | 13,322                              | 41.5  |
|   | 1/01/09  | 126,120                                | 145,965  | 19,845                                      | 86.4                               | 14,404                              | 137.8   |
|   | 12/31/09 | 131,491                                | 154,303  | 22,812                                      | 85.2                               | 14,434                              | 158.0   |
| <b>Utah Governors<br/>and Legislators<br/>Retirement Plan</b> | 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)   |
|   | 1/01/05  | 10,650                                 | 8,727  | (1,923)                                     | 122.0                              | 556                                 | (345.9)   |
|   | 1/01/06  | 10,587                                 | 8,974  | (1,613)                                     | 118.0                              | 887                                 | (181.8)   |
|   | 1/01/07  | 10,983                                 | 9,212  | (1,771)                                     | 119.2                              | 860                                 | (205.9)   |
|   | 1/01/08  | 11,736                                 | 9,862  | (1,874)                                     | 119.0                              | 947                                 | (197.9)   |
|   | 1/01/09  | 10,841                                 | 10,982   | 141   | 98.7                               | 910                                 | 15.5  |
|   | 12/31/09 | 10,769                                 | 11,027   | 258   | 97.7                               | 910                                 | 28.4  |

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        |                        | System  | Year Ended | Employer Contributions        |                        |
|--|------------|-------------------------------|------------------------|---|------------|-------------------------------|------------------------|
|  |            | Annual Required Contributions | Percentage Contributed |   |            | Annual Required Contributions | Percentage Contributed |
| <b>Noncontributory Retirement System</b> | 2000       | \$352,339                     | 100%                   | <b>Firefighters Retirement System</b>                 | 2000       | \$ 6,755                      | 100%                   |
|  | 2001       | 331,951                       | 100                    |   | 2001       | 8,354                         | 100                    |
|  | 2002       | 291,256                       | 100                    |   | 2002       | 9,454                         | 100                    |
|  | 2003       | 314,511                       | 100                    |   | 2003       | 9,059                         | 100                    |
|  | 2004       | 369,109                       | 100                    |   | 2004       | 8,659                         | 100                    |
|  | 2005       | 406,795                       | 100                    |   | 2005       | 9,601                         | 100                    |
|  | 2006       | 440,421                       | 100                    |   | 2006       | 9,518                         | 100                    |
|  | 2007       | 487,803                       | 100                    |   | 2007       | 13,797                        | 100                    |
|  | 2008       | 522,733                       | 100                    |   | 2008       | 10,219                        | 100                    |
|  | 2009       | 535,298                       | 100                    |   | 2009       | 16,159                        | 100                    |
| <b>Contributory Retirement System</b>    | 2000       | \$ 10,484                     | 100%                   | <b>Judges Retirement System</b>                       | 2000       | \$ 3,422                      | 100%                   |
|  | 2001       | 8,480                         | 100                    |   | 2001       | 3,053                         | 100                    |
|  | 2002       | 6,735                         | 100                    |   | 2002       | 2,853                         | 100                    |
|  | 2003       | 7,297                         | 100                    |   | 2003       | 2,490                         | 100                    |
|  | 2004       | 9,564                         | 100                    |   | 2004       | 2,531                         | 100                    |
|  | 2005       | 10,357                        | 100                    |   | 2005       | 2,397                         | 100                    |
|  | 2006       | 10,737                        | 100                    |   | 2006       | 2,718                         | 100                    |
|  | 2007       | 11,208                        | 100                    |   | 2007       | 3,210                         | 100                    |
|  | 2008       | 11,037                        | 100                    |   | 2008       | 3,802                         | 100                    |
|  | 2009       | 10,865                        | 100                    |   | 2009       | 4,184                         | 100                    |
| <b>Public Safety Retirement System</b>   | 2000       | \$ 49,353                     | 100%                   | <b>Utah Governors and Legislators Retirement Plan</b> | 2000       | \$ 0                          | 100%                   |
|  | 2001       | 46,113                        | 100                    |   | 2001       | 0                             | 100                    |
|  | 2002       | 42,264                        | 100                    |   | 2002       | 0                             | 100                    |
|  | 2003       | 46,655                        | 100                    |   | 2003       | 0                             | 100                    |
|  | 2004       | 56,319                        | 100                    |   | 2004       | 0                             | 100                    |
|  | 2005       | 61,326                        | 100                    |   | 2005       | 0                             | 100                    |
|  | 2006       | 70,466                        | 100                    |   | 2006       | 0                             | 100                    |
|  | 2007       | 81,166                        | 100                    |   | 2007       | 0                             | 100                    |
|  | 2008       | 93,899                        | 100                    |   | 2008       | 0                             | 100                    |
|  | 2009       | 98,729                        | 100                    |   | 2009       | 0                             | 100                    |

See accompanying notes to required supplementary information.

# Notes to the Required Supplementary Information

December 31, 2009

## Note 1 Schedules of Funding Progress

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 2009, and calendar year 2009 activity. The actuarial accrued liability is presented based on the report generated by that study conducted by Gabriel, Roeder, Smith & Company. The actuarial value of assets for that date is based on a smoothed expected investment income rate. Beginning with the 2008 actuarial study, the investment rate of return assumption was changed from 8% to 7.75%. Investment income in excess or shortfall of the expected return on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. The calculations for this smoothing process are disclosed in note 5 of the notes to the basic financial statements on page 64.

## Note 2 Schedules of Employer Contributions

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

## Note 3 Actuarial Assumptions

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

### Additional Actuarial Information

|  | Noncontributory  | Contributory                           | Public Safety                           | Firefighters                           | Judges                                 | Governors and Legislators              |
|--|--|--|---|--|--|--|
| <b>Valuation date</b>  | 1/1/09   | 1/1/09                                 | 1/1/09                                  | 1/1/09                                 | 1/1/09                                 | 1/1/09                                 |
| <b>Actuarial cost method</b>   | Entry Age  | Entry Age                              | Entry Age                               | Entry Age                              | Entry Age                              | Entry Age                              |
| <b>Amortization method</b>   | Level Percent of Payroll   | Level Percent of Payroll               | Level Percent of Payroll                | Level Percent of Payroll               | Level Percent of Payroll               | Level Dollar Amount                    |
| <b>Amortization period</b>   | Open Group<br>25 Year<br>Closed Period   | Open Group<br>25 Year<br>Closed Period | Open Group<br>25 Year<br>Closed Period  | Open Group<br>25 Year<br>Closed Period | Open Group<br>25 Year<br>Closed Period | Open Group<br>25 Year<br>Closed Period |
| <b>Actuarial asset valuation method</b> (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. |  |   |  |  |  |
| <b>Actuarial assumptions:</b>  |  |  |   |  |  |  |
| <b>Investment rate of return</b>   | 7.75%  | 7.75%                                  | 7.75%                                   | 7.75%                                  | 7.75%                                  | 7.75%                                  |
| <b>Projected salary increases</b>  | 4.00-12.00%  | 4.00-12.00%                            | 4.00-9.75%                              | 4.00-10.25%                            | 4.0%                                   | None                                   |
| <b>Inflation rate</b>  | 3.00%  | 3.00%                                  | 3.00%                                   | 3.00%                                  | 3.00%                                  | 3.00%                                  |
| <b>Post retirement cost-of-living adjustment</b>                         | 3.00%  | 3.00%                                  | 2.50% or 3.00%<br>Depending on employer | 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, 2009

With Comparative Totals for December 31, 2008

*(in thousands)*

|   | Local<br>Government | State and<br>School | Total All Divisions |            |
|---|---------------------|---------------------|---------------------|------------|
|   |                     |                     | 2009                | 2008       |
| <b>Assets:</b>  |                     |                     |                     |            |
| Cash  | \$ 1                | 3,643               | 3,644               | 3,457      |
| Receivables:  |                     |                     |                     |            |
| Employer contributions  | 4,207               | 24,668              | 28,875              | 31,538     |
| Investments   | 40,711              | 190,503             | 231,214             | 302,084    |
| Total receivables   | 44,918              | 215,171             | 260,089             | 333,622    |
| Investments at fair value:  |                     |                     |                     |            |
| Short term securities, domestic   | 111,374             | 521,163             | 632,537             | 827,774    |
| Short term securities, international                                    | 1,772               | 8,293               | 10,065              | 5,005      |
| Debt securities, domestic   | 525,999             | 2,461,355           | 2,987,354           | 3,153,178  |
| Debt securities, international  | 110,137             | 515,374             | 625,511             | 509,836    |
| Equity investments, domestic  | 629,427             | 2,945,336           | 3,574,763           | 2,596,886  |
| Equity investments, international                                       | 370,248             | 1,732,534           | 2,102,782           | 1,500,024  |
| Absolute return   | 339,314             | 1,587,782           | 1,927,096           | 1,678,417  |
| Private equity  | 198,517             | 928,937             | 1,127,454           | 1,154,125  |
| Real estate   | 393,857             | 1,843,010           | 2,236,867           | 2,624,738  |
| Mortgage loans  | 963                 | 4,508               | 5,471               | 5,478      |
| Total investments   | 2,681,608           | 12,548,292          | 15,229,900          | 14,055,461 |
| Invested securities lending collateral                                  | 202,378             | 947,006             | 1,149,384           | 884,518    |
| Property and equipment at cost,<br>net of accumulated depreciation      | 45                  | 211                 | 256                 | 421        |
| Total assets  | 2,928,950           | 13,714,323          | 16,643,273          | 15,277,479 |
| <b>Liabilities:</b>   |                     |                     |                     |            |
| Securities lending liability  | 202,378             | 947,006             | 1,149,384           | 884,518    |
| Disbursements in excess of cash balance                                 | 2,784               | 13,026              | 15,810              | 18,483     |
| Compensated absences, post employment<br>benefits and insurance reserve | 2,141               | 10,018              | 12,159              | 10,022     |
| Investment accounts payable   | 77,993              | 368,632             | 446,625             | 664,564    |
| Real estate liabilities   | 152,610             | 714,123             | 866,733             | 985,521    |
| Total liabilities   | 437,906             | 2,052,805           | 2,490,711           | 2,563,108  |
| Net assets held in trust for pension benefits                           | \$2,491,044         | 11,661,518          | 14,152,562          | 12,714,371 |



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

December 31, 2009

With Comparative Totals for Year Ended December 31, 2008

*(in thousands)*

|  | Local<br>Government | State and<br>School | Total All Divisions |             |
|--|---------------------|---------------------|---------------------|-------------|
|  |                     |                     | 2009                | 2008        |
| <b>Additions:</b>  |                     |                     |                     |             |
| Contributions:   |                     |                     |                     |             |
| Member   | \$ 2,674            | 11,435              | 14,109              | 14,110      |
| Employer   | 104,494             | 430,804             | 535,298             | 522,733     |
| Total contributions  | 107,168             | 442,239             | 549,407             | 536,843     |
| Investment income:   |                     |                     |                     |             |
| Net appreciation (depreciation)<br>in fair value of investments    | 232,367             | 1,096,716           | 1,329,083           | (4,245,074) |
| Interest, dividends and other investment income                    | 64,075              | 302,416             | 366,491             | 382,637     |
| Total income (loss) from investment activity                       | 296,442             | 1,399,132           | 1,695,574           | (3,862,437) |
| Less investment expenses   | 5,912               | 27,902              | 33,814              | 38,070      |
| Net income (loss) from investment activity                         | 290,530             | 1,371,230           | 1,661,760           | (3,900,507) |
| Income from security lending activity                              | 1,000               | 4,718               | 5,718               | 11,883      |
| Net investment income (loss)                                       | 291,530             | 1,375,948           | 1,667,478           | (3,888,624) |
| Total additions  | 398,698             | 1,818,187           | 2,216,885           | (3,351,781) |
| <b>Deductions:</b>   |                     |                     |                     |             |
| Retirement benefits  | 88,916              | 510,540             | 599,456             | 551,391     |
| Cost of living benefits  | 16,845              | 106,751             | 123,596             | 108,401     |
| Refunds  | 565                 | 2,317               | 2,882               | 2,514       |
| Administrative expenses  | 1,399               | 6,941               | 8,340               | 8,809       |
| Transfers to affiliated systems                                    | 6,417               | 38,003              | 44,420              | 14,537      |
| Total deductions   | 114,142             | 664,552             | 778,694             | 685,652     |
| Increase (decrease) from operations                                | 284,556             | 1,153,635           | 1,438,191           | (4,037,433) |
| Net assets held in trust for pension benefits<br>beginning of year | 2,206,488           | 10,507,883          | 12,714,371          | 16,751,804  |
| Net assets held in trust for pension benefits end of year          | \$2,491,044         | 11,661,518          | 14,152,562          | 12,714,371  |

**Noncontributory Retirement System**

**Schedules of Funding Progress by Division**

(dollars in thousands)

| Division               | Date     | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age | (3)<br>Unfunded<br>AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded<br>Ratios<br>(1)/(2) | (5)<br>Annual<br>Covered<br>Payroll | (6)<br>UAAL as<br>a % of<br>Covered<br>Payroll<br>(3)/(5) |
|------------------------|----------|--|--|---|------------------------------------|-------------------------------------|---|
| <b>Noncontributory</b> | 1/01/01  | \$ 1,660,838                           | 1,515,951  | (144,887)                                   | 109.6%                             | \$ 555,112                          | (26.1)%   |
| <b>Local</b>           | 1/01/02  | 1,790,398                              | 1,667,820  | (122,578)                                   | 107.3                              | 583,682                             | (21.0)  |
| <b>Government</b>      | 1/01/03  | 1,766,403                              | 1,842,886  | 76,483                                      | 95.8                               | 617,784                             | 12.4  |
|                        | 1/01/04  | 1,916,701                              | 1,985,092  | 68,391                                      | 96.6                               | 648,410                             | 10.5  |
|                        | 1/01/05  | 2,027,791                              | 2,123,427  | 95,636                                      | 95.5                               | 680,620                             | 14.1  |
|                        | 1/01/06  | 2,193,880                              | 2,295,475  | 101,595                                     | 95.6                               | 718,228                             | 14.1  |
|                        | 1/01/07  | 2,455,870                              | 2,456,038  | 168   | 100.0                              | 758,583                             | 0.0   |
|                        | 1/01/08  | 2,780,176                              | 2,833,053  | 52,877                                      | 98.1                               | 815,502                             | 6.5   |
|                        | 1/01/09  | 2,743,924                              | 3,070,328  | 326,404                                     | 89.4                               | 883,207                             | 37.0  |
|                        | 12/31/09 | 2,914,687                              | 3,303,908  | 389,221                                     | 88.2                               | 912,173                             | 42.7  |
| <b>Noncontributory</b> | 1/01/01  | \$ 8,700,495                           | 8,417,563  | (282,932)                                   | 103.4%                             | \$2,104,088                         | (13.4)%   |
| <b>State and</b>       | 1/01/02  | 9,313,936                              | 9,138,204  | (175,732)                                   | 101.9                              | 2,248,378                           | (7.8)   |
| <b>School</b>          | 1/01/03  | 9,082,183                              | 9,921,467  | 839,284                                     | 91.5                               | 2,308,665                           | 36.4  |
|                        | 1/01/04  | 9,740,824                              | 10,366,218   | 625,394                                     | 94.0                               | 2,310,937                           | 27.1  |
|                        | 1/01/05  | 10,184,646                             | 11,112,017   | 927,371                                     | 91.7                               | 2,403,697                           | 38.6  |
|                        | 1/01/06  | 10,875,482                             | 11,723,065   | 847,580                                     | 92.8                               | 2,447,276                           | 34.6  |
|                        | 1/01/07  | 11,991,058                             | 12,628,023   | 636,965                                     | 95.0                               | 2,567,809                           | 24.8  |
|                        | 1/01/08  | 13,418,901                             | 14,192,132   | 773,231                                     | 94.6                               | 2,766,993                           | 27.9  |
|                        | 1/01/09  | 13,095,537                             | 15,236,262   | 2,140,725                                   | 85.9                               | 2,988,429                           | 71.6  |
|                        | 12/31/09 | 13,707,861                             | 16,125,826   | 2,417,965                                   | 85.0                               | 3,042,867                           | 79.5  |
| <b>Total</b>           | 1/01/01  | \$10,361,333                           | 9,933,514  | (427,819)                                   | 104.3%                             | \$2,659,200                         | (16.1)%   |
| <b>Noncontributory</b> | 1/01/02  | 11,104,334                             | 10,806,024   | (298,310)                                   | 102.8                              | 2,832,060                           | (10.5)  |
| <b>Retirement</b>      | 1/01/03  | 10,848,586                             | 11,764,353   | 915,767                                     | 92.2                               | 2,926,449                           | 31.3  |
| <b>System</b>          | 1/01/04  | 11,657,525                             | 12,351,310   | 693,785                                     | 94.4                               | 2,959,347                           | 23.4  |
|                        | 1/01/05  | 12,212,437                             | 13,235,444   | 1,023,007                                   | 92.3                               | 3,084,317                           | 33.2  |
|                        | 1/01/06  | 13,069,362                             | 14,018,540   | 949,178                                     | 93.2                               | 3,165,504                           | 30.0  |
|                        | 1/01/07  | 14,446,928                             | 15,084,061   | 637,133                                     | 95.8                               | 3,326,392                           | 19.2  |
|                        | 1/01/08  | 16,199,077                             | 17,025,185   | 826,108                                     | 95.1                               | 3,582,495                           | 23.1  |
|                        | 1/01/09  | 15,839,461                             | 18,306,590   | 2,467,129                                   | 86.5                               | 3,871,636                           | 63.7  |
|                        | 12/31/09 | 16,622,548                             | 19,429,734   | 2,807,186                                   | 85.6                               | 3,955,040                           | 71.0  |

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

| Division               | Year Ended | Employer Contributions        |                        |
|------------------------|------------|-------------------------------|------------------------|
|                        |            | Annual Required Contributions | Percentage Contributed |
| <b>Noncontributory</b> | 2000       | \$ 58,626                     | 100%                   |
| <b>Local</b>           | 2001       | 54,274                        | 100                    |
| <b>Government</b>      | 2002       | 52,143                        | 100                    |
|                        | 2003       | 60,097                        | 100                    |
|                        | 2004       | 70,010                        | 100                    |
|                        | 2005       | 79,179                        | 100                    |
|                        | 2006       | 85,715                        | 100                    |
|                        | 2007       | 94,482                        | 100                    |
|                        | 2008       | 100,843                       | 100                    |
|                        | 2009       | 104,494                       | 100                    |
| <b>Noncontributory</b> | 2000       | \$293,713                     | 100%                   |
| <b>State and</b>       | 2001       | 277,677                       | 100                    |
| <b>School</b>          | 2002       | 239,113                       | 100                    |
|                        | 2003       | 254,414                       | 100                    |
|                        | 2004       | 299,099                       | 100                    |
|                        | 2005       | 327,616                       | 100                    |
|                        | 2006       | 354,706                       | 100                    |
|                        | 2007       | 393,321                       | 100                    |
|                        | 2008       | 421,890                       | 100                    |
|                        | 2009       | 430,804                       | 100                    |
| <b>Total</b>           | 2000       | \$352,339                     | 100%                   |
| <b>Noncontributory</b> | 2001       | 331,951                       | 100                    |
| <b>Retirement</b>      | 2002       | 291,256                       | 100                    |
| <b>System</b>          | 2003       | 314,511                       | 100                    |
|                        | 2004       | 369,109                       | 100                    |
|                        | 2005       | 406,795                       | 100                    |
|                        | 2006       | 440,421                       | 100                    |
|                        | 2007       | 487,803                       | 100                    |
|                        | 2008       | 522,733                       | 100                    |
|                        | 2009       | 535,298                       | 100                    |

## Contributory Retirement System

Schedules of Fiduciary Net Assets —  
Pension Trust Fund by Division

December 31, 2009

With Comparative Totals for December 31, 2008

*(in thousands)*

|   | Local<br>Government | State and<br>School | Total All Divisions |           |
|---|---------------------|---------------------|---------------------|-----------|
|   |                     |                     | 2009                | 2008      |
| <b>Assets:</b>  |                     |                     |                     |           |
| Cash  | \$ 1                | 1                   | 2                   | 2         |
| Receivables:  |                     |                     |                     |           |
| Member contributions  | 188                 | 178                 | 366                 | 388       |
| Employer contributions  | 240                 | 289                 | 529                 | 572       |
| Investments   | 5,121               | 10,213              | 15,334              | 19,874    |
| Total receivables   | 5,549               | 10,680              | 16,229              | 20,834    |
| Investments at fair value:  |                     |                     |                     |           |
| Short term securities, domestic   | 14,011              | 27,939              | 41,950              | 54,459    |
| Short term securities, international                                    | 223                 | 445                 | 668                 | 330       |
| Debt securities, domestic   | 66,170              | 131,952             | 198,122             | 207,448   |
| Debt securities, international  | 13,855              | 27,629              | 41,484              | 33,542    |
| Equity investments, domestic  | 79,181              | 157,898             | 237,079             | 170,849   |
| Equity investments, international                                       | 46,577              | 92,880              | 139,457             | 98,687    |
| Absolute return   | 42,685              | 85,120              | 127,805             | 110,423   |
| Private equity  | 24,973              | 49,800              | 74,773              | 75,930    |
| Real estate   | 49,547              | 98,803              | 148,350             | 172,682   |
| Mortgage loans  | 121                 | 242                 | 363                 | 361       |
| Total investments   | 337,343             | 672,708             | 1,010,051           | 924,711   |
| Invested securities lending collateral                                  | 25,459              | 50,768              | 76,227              | 58,192    |
| Property and equipment at cost,<br>net of accumulated depreciation      | 6                   | 11                  | 17                  | 28        |
| Total assets  | 368,358             | 734,168             | 1,102,526           | 1,003,767 |
| <b>Liabilities:</b>   |                     |                     |                     |           |
| Securities lending collateral liability                                 | 25,459              | 50,768              | 76,227              | 58,192    |
| Disbursements in excess of cash balance                                 | 350                 | 698                 | 1,048               | 1,216     |
| Compensated absences, post employment<br>benefits and insurance reserve | 269                 | 537                 | 806                 | 659       |
| Investment accounts payable   | 9,811               | 19,565              | 29,376              | 43,492    |
| Real estate liabilities   | 19,198              | 38,284              | 57,482              | 64,838    |
| Total liabilities   | 55,087              | 109,852             | 164,939             | 168,397   |
| Net assets held in trust for pension benefits                           | \$313,271           | 624,316             | 937,587             | 835,370   |

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

December 31, 2009

With Comparative Totals for Year Ended December 31, 2008

*(in thousands)*

|  | Local<br>Government | State and<br>School | Total All Divisions |           |
|--|---------------------|---------------------|---------------------|-----------|
|  |                     |                     | 2009                | 2008      |
| <b>Additions:</b>  |                     |                     |                     |           |
| Contributions:   |                     |                     |                     |           |
| Member   | \$ 4,155            | 4,500               | 8,655               | 9,410     |
| Employer   | 4,870               | 5,995               | 10,865              | 11,037    |
| Total contributions  | 9,025               | 10,495              | 19,520              | 20,447    |
| Investment income:   |                     |                     |                     |           |
| Net appreciation (depreciation)<br>in fair value of investments    | 29,659              | 60,111              | 89,770              | (285,172) |
| Interest, dividends and other investment income                    | 8,178               | 16,575              | 24,753              | 25,704    |
| Total income (loss) from investment activity                       | 37,837              | 76,686              | 114,523             | (259,468) |
| Less investment expenses   | 755                 | 1,529               | 2,284               | 2,557     |
| Net income (loss) from investment activity                         | 37,082              | 75,157              | 112,239             | (262,025) |
| Income from security lending activity                              | 128                 | 259                 | 387                 | 798       |
| Net investment income (loss)                                       | 37,210              | 75,416              | 112,626             | (261,227) |
| Transfers from affiliated systems                                  | 8,768               | 28,865              | 37,633              | 9,008     |
| Total additions  | 55,003              | 114,776             | 169,779             | (231,772) |
| <b>Deductions:</b>   |                     |                     |                     |           |
| Retirement benefits  | 12,560              | 34,759              | 47,319              | 44,218    |
| Cost of living benefits  | 3,686               | 13,400              | 17,086              | 17,309    |
| Supplemental retirement benefits                                   | 59                  | 385                 | 444                 | 569       |
| Refunds  | 791                 | 1,367               | 2,158               | 1,473     |
| Administrative expenses  | 184                 | 371                 | 555                 | 605       |
| Total deductions   | 17,280              | 50,282              | 67,562              | 64,174    |
| Increase (decrease) from operations                                | 37,723              | 64,494              | 102,217             | (295,946) |
| Net assets held in trust for pension<br>benefits beginning of year | 275,548             | 559,822             | 835,370             | 1,131,316 |
| Net assets held in trust for pension benefits end of year          | \$313,271           | 624,316             | 937,587             | 835,370   |

**Contributory Retirement System**

**Schedules of Funding Progress by Division**

(dollars in thousands)

| Division  | Date     | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age | (3)<br>Unfunded<br>AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded<br>Ratios<br>(1)/(2) | (5)<br>Annual<br>Covered<br>Payroll | (6)<br>UAAL as<br>a % of<br>Covered<br>Payroll<br>(3)/(5) |
|---|----------|--|--|---|------------------------------------|-------------------------------------|---|
| <b>Contributory<br/>Local<br/>Government</b>            | 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  |
|   | 1/01/05  | 280,286                                | 307,221  | 26,935                                      | 91.2                               | 58,482                              | 46.1  |
|   | 1/01/06  | 295,061                                | 322,986  | 27,925                                      | 91.4                               | 60,616                              | 46.1  |
|   | 1/01/07  | 319,072                                | 338,625  | 19,553                                      | 94.2                               | 61,441                              | 31.8  |
|   | 1/01/08  | 356,014                                | 381,287  | 25,273                                      | 99.2                               | 62,793                              | 40.2  |
|   | 1/01/09  | 358,620                                | 404,913  | 46,293                                      | 88.6                               | 64,758                              | 71.5  |
|   | 12/31/09 | 369,999                                | 416,434  | 46,435                                      | 88.8                               | 64,060                              | 72.5  |
| <b>Contributory<br/>State and<br/>School</b>            | 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  |
|   | 1/01/05  | 653,688                                | 706,615  | 52,927                                      | 92.5                               | 80,880                              | 65.4  |
|   | 1/01/06  | 656,479                                | 704,323  | 47,844                                      | 93.2                               | 77,114                              | 62.0  |
|   | 1/01/07  | 685,380                                | 724,342  | 38,962                                      | 94.6                               | 72,371                              | 53.8  |
|   | 1/01/08  | 746,093                                | 788,964  | 42,871                                      | 99.9                               | 70,106                              | 61.2  |
|   | 1/01/09  | 739,091                                | 813,659  | 74,568                                      | 90.8                               | 68,352                              | 109.1   |
|   | 12/31/09 | 744,020                                | 818,461  | 74,441                                      | 90.9                               | 63,744                              | 116.8   |
| <b>Total<br/>Contributory<br/>Retirement<br/>System</b> | 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  |
|   | 1/01/05  | 933,974                                | 1,013,836  | 79,862                                      | 92.1                               | 139,362                             | 57.3  |
|   | 1/01/06  | 951,540                                | 1,027,309  | 75,769                                      | 92.6                               | 137,730                             | 55.0  |
|   | 1/01/07  | 1,004,452                              | 1,062,967  | 58,515                                      | 94.5                               | 133,812                             | 43.7  |
|   | 1/01/08  | 1,102,107                              | 1,170,251  | 68,144                                      | 94.2                               | 132,899                             | 51.3  |
|   | 1/01/09  | 1,097,711                              | 1,218,572  | 120,861                                     | 90.1                               | 133,110                             | 90.8  |
|   | 12/31/09 | 1,114,019                              | 1,234,895  | 120,876                                     | 90.2                               | 127,804                             | 94.6  |

**Contributory Retirement System**

**Schedules of Employer Contributions by Division**

*(dollars in thousands)*

| Division            | Year Ended | Employer Contributions        |                        |
|---------------------|------------|-------------------------------|------------------------|
|                     |            | Annual Required Contributions | Percentage Contributed |
| <b>Contributory</b> | 2000       | \$ 3,524                      | 100%                   |
| <b>Local</b>        | 2001       | 2,926                         | 100                    |
| <b>Government</b>   | 2002       | 2,441                         | 100                    |
|                     | 2003       | 2,881                         | 100                    |
|                     | 2004       | 3,822                         | 100                    |
|                     | 2005       | 4,238                         | 100                    |
|                     | 2006       | 4,509                         | 100                    |
|                     | 2007       | 4,889                         | 100                    |
|                     | 2008       | 4,912                         | 100                    |
|                     | 2009       | 4,870                         | 100                    |
| <b>Contributory</b> | 2000       | \$ 6,960                      | 100%                   |
| <b>State and</b>    | 2001       | 5,554                         | 100                    |
| <b>School</b>       | 2002       | 4,294                         | 100                    |
|                     | 2003       | 4,416                         | 100                    |
|                     | 2004       | 5,742                         | 100                    |
|                     | 2005       | 6,119                         | 100                    |
|                     | 2006       | 6,228                         | 100                    |
|                     | 2007       | 6,319                         | 100                    |
|                     | 2008       | 6,125                         | 100                    |
|                     | 2009       | 5,995                         | 100                    |
| <b>Total</b>        | 2000       | \$10,484                      | 100%                   |
| <b>Contributory</b> | 2001       | 8,480                         | 100                    |
| <b>Retirement</b>   | 2002       | 6,735                         | 100                    |
| <b>System</b>       | 2003       | 7,297                         | 100                    |
|                     | 2004       | 9,564                         | 100                    |
|                     | 2005       | 10,357                        | 100                    |
|                     | 2006       | 10,737                        | 100                    |
|                     | 2007       | 11,208                        | 100                    |
|                     | 2008       | 11,037                        | 100                    |
|                     | 2009       | 10,865                        | 100                    |

## Public Safety Retirement System

Schedules of Fiduciary Net Assets —  
Pension Trust Fund by Division

December 31, 2009

With Comparative Totals for December 31, 2008

*(in thousands)*

|   | State of Utah<br>Public Safety | Other<br>Division A<br>(with Social<br>Security) | Salt Lake City |
|---|--------------------------------|--|----------------|
| <b>Assets:</b>  |                                |  |                |
| Cash  | \$ 2                           | 4  | 2              |
| Receivables:  |                                |  |                |
| Member contributions  | 2                              | 35   | —              |
| Employer contributions  | 1,365                          | 1,450  | 374            |
| Investments   | 10,583                         | 12,408   | 2,622          |
| Total receivables   | 11,950                         | 13,893   | 2,996          |
| Investments at fair value:  |                                |  |                |
| Short term securities, domestic   | 28,953                         | 33,944   | 7,172          |
| Short term securities, international                                    | 461                            | 540  | 114            |
| Debt securities, domestic   | 136,742                        | 160,309  | 33,873         |
| Debt securities, international  | 28,632                         | 33,567   | 7,093          |
| Equity investments, domestic  | 163,629                        | 191,831  | 40,533         |
| Equity investments, international                                       | 96,252                         | 112,841  | 23,843         |
| Absolute return   | 88,210                         | 103,413  | 21,851         |
| Private equity  | 51,608                         | 60,502   | 12,784         |
| Real estate   | 102,389                        | 120,036  | 25,363         |
| Mortgage loans  | 250                            | 294  | 62             |
| Total investments   | 697,126                        | 817,277  | 172,688        |
| Invested securities lending collateral                                  | 52,611                         | 61,679   | 13,033         |
| Property and equipment at cost,<br>net of accumulated depreciation      | 12                             | 14   | 3              |
| Total assets  | 761,701                        | 892,867  | 188,722        |
| <b>Liabilities:</b>   |                                |  |                |
| Securities lending liability  | 52,611                         | 61,679   | 13,033         |
| Disbursements in excess of cash balance                                 | 724                            | 848  | 179            |
| Compensated absences, post employment<br>benefits and insurance reserve | 557                            | 652  | 138            |
| Investment accounts payable   | 20,276                         | 23,770   | 5,023          |
| Real estate liabilities   | 39,673                         | 46,511   | 9,828          |
| Total liabilities   | 113,841                        | 133,460  | 28,201         |
| Net assets held in trust for pension benefits                           | \$647,860                      | 759,407  | 160,521        |



| Ogden  | Provo  | Logan  | Bountiful | Other<br>Division B<br>(without<br>Social Security) | Total All Divisions |           |
|--------|--------|--------|-----------|---|---------------------|-----------|
|        |        |        |           |   | 2009                | 2008      |
| 2      | 2      | 2      | 2         | 4   | 20                  | 16        |
| —      | —      | 2      | —         | 4   | 43                  | 49        |
| 69     | —      | 27     | —         | 498   | 3,783               | 3,495     |
| 653    | 462    | 269    | 229       | 2,584   | 29,810              | 38,360    |
| 722    | 462    | 298    | 229       | 3,086   | 33,636              | 41,904    |
| 1,786  | 1,265  | 735    | 625       | 7,070   | 81,550              | 105,112   |
| 28     | 20     | 12     | 10        | 112   | 1,297               | 636       |
| 8,437  | 5,973  | 3,471  | 2,954     | 33,389  | 385,148             | 400,398   |
| 1,767  | 1,251  | 727    | 618       | 6,991   | 80,646              | 64,740    |
| 10,096 | 7,147  | 4,153  | 3,535     | 39,954  | 460,878             | 329,758   |
| 5,939  | 4,204  | 2,443  | 2,079     | 23,502  | 271,103             | 190,477   |
| 5,443  | 3,853  | 2,239  | 1,905     | 21,539  | 248,453             | 213,129   |
| 3,184  | 2,254  | 1,310  | 1,115     | 12,601  | 145,358             | 146,553   |
| 6,318  | 4,472  | 2,599  | 2,212     | 25,001  | 288,390             | 333,297   |
| 15     | 11     | 6      | 5         | 61  | 704                 | 694       |
| 43,013 | 30,450 | 17,695 | 15,058    | 170,220   | 1,963,527           | 1,784,794 |
| 3,246  | 2,298  | 1,335  | 1,136     | 12,846  | 148,184             | 112,318   |
| 1      | 1      | —      | —         | 3   | 34                  | 52        |
| 46,984 | 33,213 | 19,330 | 16,425    | 186,159   | 2,145,401           | 1,939,084 |
| 3,246  | 2,298  | 1,335  | 1,136     | 12,846  | 148,184             | 112,318   |
| 45     | 32     | 18     | 16        | 177   | 2,039               | 2,347     |
| 34     | 24     | 14     | 12        | 136   | 1,567               | 1,273     |
| 1,251  | 886    | 515    | 438       | 4,951   | 57,110              | 83,946    |
| 2,448  | 1,733  | 1,007  | 857       | 9,686   | 111,743             | 125,143   |
| 7,024  | 4,973  | 2,889  | 2,459     | 27,796  | 320,643             | 325,027   |
| 39,960 | 28,240 | 16,441 | 13,966    | 158,363   | 1,824,758           | 1,614,057 |

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

December 31, 2009

With Comparative Totals for Year Ended December 31, 2008

*(in thousands)*

|   | State of Utah<br>Public Safety | Other<br>Division A<br>(with Social<br>Security) | Salt Lake City |
|---|--------------------------------|--|----------------|
| <b>Additions:</b>   |                                |  |                |
| Contributions:  |                                |  |                |
| Member  | \$ 160                         | 901  | 45             |
| Employer  | 34,862                         | 39,078   | 9,883          |
| Total contributions   | 35,022                         | 39,979   | 9,928          |
| Investment income:  |                                |  |                |
| Net appreciation (depreciation) in fair value of investments    | 60,614                         | 70,726   | 15,104         |
| Interest, dividends and other investment income                 | 16,714                         | 19,502   | 4,165          |
| Total income (loss) from investment activity                    | 77,328                         | 90,228   | 19,269         |
| Less investment expenses  | 1,542                          | 1,799  | 384            |
| Net income (loss) from investment activity                      | 75,786                         | 88,429   | 18,885         |
| Income from security lending activity                           | 261                            | 304  | 65             |
| Net investment income (loss)                                    | 76,047                         | 88,733   | 18,950         |
| Transfers from affiliated systems                               | 2,083                          | 177  | 510            |
| Total additions   | 113,152                        | 128,889  | 29,388         |
| <b>Deductions:</b>  |                                |  |                |
| Retirement benefits   | 33,844                         | 32,081   | 10,678         |
| Cost of living benefits   | 6,753                          | 5,777  | 2,694          |
| Supplemental retirement benefits                                | 252                            | 125  | 56             |
| Refunds   | 121                            | 225  | —              |
| Administrative expenses   | 410                            | 443  | 112            |
| Total deductions  | 41,380                         | 38,651   | 13,540         |
| Increase (decrease) from operations                             | 71,772                         | 90,238   | 15,848         |
| Net assets held in trust for pension benefits beginning of year | 576,088                        | 669,169  | 144,673        |
| Net assets held in trust for pension benefits end of year       | \$647,860                      | 759,407  | 160,521        |

| Ogden  | Provo  | Logan  | Bountiful | Other<br>Division B<br>(without<br>Social Security) | Total All Divisions |           |
|--------|--------|--------|-----------|---|---------------------|-----------|
|        |        |        |           |   | 2009                | 2008      |
| —      | —      | 57     | —         | 393   | 1,556               | 2,159     |
| 1,757  | 1,546  | 715    | 434       | 10,454  | 98,729              | 93,899    |
| 1,757  | 1,546  | 772    | 434       | 10,847  | 100,285             | 96,058    |
| 3,802  | 2,655  | 1,546  | 1,321     | 14,508  | 170,276             | (536,033) |
| 1,048  | 732    | 426    | 364       | 4,000   | 46,951              | 48,316    |
| 4,850  | 3,387  | 1,972  | 1,685     | 18,508  | 217,227             | (487,717) |
| 97     | 68     | 39     | 34        | 369   | 4,332               | 4,807     |
| 4,753  | 3,319  | 1,933  | 1,651     | 18,139  | 212,895             | (492,524) |
| 16     | 11     | 7      | 6         | 62  | 732                 | 1,500     |
| 4,769  | 3,330  | 1,940  | 1,657     | 18,201  | 213,627             | (491,024) |
| 7      | (60)   | 31     | 14        | 1,816   | 4,578               | 3,727     |
| 6,533  | 4,816  | 2,743  | 2,105     | 30,864  | 318,490             | (391,239) |
| 2,719  | 1,551  | 878    | 762       | 6,119   | 88,632              | 83,142    |
| 622    | 363    | 153    | 118       | 706   | 17,186              | 15,317    |
| 11     | 8      | 1      | 1         | —   | 454                 | 485       |
| —      | 28     | —      | —         | 16  | 390                 | 899       |
| 27     | 19     | 10     | 8         | 98  | 1,127               | 1,163     |
| 3,379  | 1,969  | 1,042  | 889       | 6,939   | 107,789             | 101,006   |
| 3,154  | 2,847  | 1,701  | 1,216     | 23,925  | 210,701             | (492,245) |
| 36,806 | 25,393 | 14,740 | 12,750    | 134,438   | 1,614,057           | 2,106,302 |
| 39,960 | 28,240 | 16,441 | 13,966    | 158,363   | 1,824,758           | 1,614,057 |

Public Safety Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

| Division   | Date     | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age | (3)<br>Unfunded<br>AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded<br>Ratios<br>(1)/(2) | (5)<br>Annual<br>Covered<br>Payroll | (6)<br>UAAL as<br>a % of<br>Covered<br>Payroll<br>(3)/(5) |
|--|----------|--|--|---|------------------------------------|-------------------------------------|---|
| <b>Public Safety<br/>State of Utah</b>                               | 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  |
|  | 1/01/05  | 554,342                                | 630,095  | 75,753                                      | 88.0                               | 97,654                              | 77.6  |
|  | 1/01/06  | 592,472                                | 656,157  | 63,685                                      | 90.3                               | 94,611                              | 67.3  |
|  | 1/01/07  | 652,239                                | 706,589  | 54,350                                      | 92.3                               | 100,368                             | 54.2  |
|  | 1/01/08  | 730,102                                | 800,385  | 70,283                                      | 91.2                               | 108,127                             | 65.0  |
|  | 1/01/09  | 720,114                                | 899,970  | 179,856                                     | 80.0                               | 118,659                             | 151.6   |
|  | 12/31/09 | 759,547                                | 960,217  | 200,670                                     | 79.1                               | 120,792                             | 166.1   |
| <b>Public Safety<br/>Other Division A<br/>(with Social Security)</b> | 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   |
|  | 1/01/05  | 625,506                                | 669,261  | 43,755                                      | 93.5                               | 132,238                             | 33.1  |
|  | 1/01/06  | 668,555                                | 718,533  | 49,978                                      | 93.0                               | 136,367                             | 36.6  |
|  | 1/01/07  | 743,225                                | 772,956  | 29,731                                      | 96.2                               | 145,274                             | 20.5  |
|  | 1/01/08  | 841,852                                | 888,872  | 47,020                                      | 94.7                               | 155,991                             | 30.1  |
|  | 1/01/09  | 836,463                                | 972,792  | 136,329                                     | 86.0                               | 165,099                             | 82.6  |
|  | 12/31/09 | 888,555                                | 1,044,655  | 156,100                                     | 85.1                               | 169,320                             | 92.2  |
| <b>Public Safety<br/>Salt Lake City</b>                              | 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   |
|  | 1/01/05  | 142,134                                | 187,740  | 45,606                                      | 75.7                               | 20,672                              | 220.6   |
|  | 1/01/06  | 150,347                                | 200,080  | 49,733                                      | 75.1                               | 22,778                              | 218.3   |
|  | 1/01/07  | 165,100                                | 206,821  | 41,721                                      | 79.8                               | 24,330                              | 171.5   |
|  | 1/01/08  | 184,578                                | 234,139  | 49,561                                      | 78.8                               | 26,114                              | 189.8   |
|  | 1/01/09  | 180,841                                | 245,433  | 64,592                                      | 73.7                               | 27,413                              | 235.6   |
|  | 12/31/09 | 188,761                                | 257,741  | 68,980                                      | 73.2                               | 27,781                              | 248.3   |
| <b>Public Safety<br/>Ogden</b>                                       | 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  |
|  | 1/01/05  | 40,288                                 | 47,666   | 7,378                                       | 84.5                               | 5,167                               | 142.8   |
|  | 1/01/06  | 41,541                                 | 49,440   | 7,899                                       | 84.0                               | 4,842                               | 163.1   |
|  | 1/01/07  | 44,077                                 | 51,735   | 7,658                                       | 85.2                               | 5,130                               | 149.3   |
|  | 1/01/08  | 48,429                                 | 57,590   | 9,161                                       | 84.1                               | 5,118                               | 179.0   |
|  | 1/01/09  | 46,009                                 | 58,480   | 12,471                                      | 78.7                               | 5,602                               | 222.6   |
|  | 12/31/09 | 47,334                                 | 60,705   | 13,371                                      | 78.0                               | 5,407                               | 247.3   |
| <b>Public Safety<br/>Provo</b>                                       | 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  |
|  | 1/01/05  | 25,302                                 | 30,072   | 4,770                                       | 84.1                               | 4,402                               | 108.4   |
|  | 1/01/06  | 26,857                                 | 32,359   | 5,502                                       | 83.0                               | 4,626                               | 118.9   |
|  | 1/01/07  | 29,473                                 | 33,773   | 4,300                                       | 87.3                               | 4,504                               | 95.5  |
|  | 1/01/08  | 32,601                                 | 38,373   | 5,772                                       | 85.0                               | 4,864                               | 118.7   |
|  | 1/01/09  | 31,740                                 | 41,170   | 9,430                                       | 77.1                               | 5,006                               | 188.4   |
|  | 12/31/09 | 33,227                                 | 43,008   | 9,781                                       | 77.3                               | 5,105                               | 191.6   |

**Public Safety Retirement System**

**Schedules of Funding Progress by Division** (Continued)

(dollars in thousands)

| Division  | Date     | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age | (3)<br>Unfunded<br>AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded<br>Ratios<br>(1)/(2) | (5)<br>Annual<br>Covered<br>Payroll | (6)<br>UAAL as<br>a % of<br>Covered<br>Payroll<br>(3)/(5) |
|---|----------|--|--|---|------------------------------------|-------------------------------------|---|
| <b>Public Safety<br/>Logan</b>  | 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  |
|   | 1/01/05  | 14,510                                 | 16,234   | 1,724                                       | 89.4                               | 2,467                               | 69.9  |
|   | 1/01/06  | 15,432                                 | 16,885   | 1,453                                       | 91.4                               | 2,308                               | 63.0  |
|   | 1/01/07  | 16,938                                 | 18,012   | 1,074                                       | 94.0                               | 2,434                               | 44.1  |
|   | 1/01/08  | 18,949                                 | 21,667   | 2,718                                       | 87.5                               | 2,626                               | 103.5   |
|   | 1/01/09  | 18,426                                 | 22,792   | 4,366                                       | 80.8                               | 2,482                               | 175.9   |
|   | 12/31/09 | 19,334                                 | 23,976   | 4,642                                       | 80.6                               | 2,890                               | 160.6   |
| <b>Public Safety<br/>Bountiful</b>                                      | 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)  |
|   | 1/01/05  | 12,384                                 | 12,337   | (47)  | 100.4                              | 1,621                               | (2.9)   |
|   | 1/01/06  | 13,392                                 | 13,966   | 574   | 95.9                               | 1,724                               | 33.3  |
|   | 1/01/07  | 14,838                                 | 14,750   | (88)  | 100.6                              | 1,649                               | (5.3)   |
|   | 1/01/08  | 16,406                                 | 16,801   | 395   | 97.6                               | 1,756                               | 22.5  |
|   | 1/01/09  | 15,939                                 | 17,829   | 1,890                                       | 89.4                               | 1,945                               | 97.2  |
|   | 12/31/09 | 16,475                                 | 18,729   | 2,254                                       | 88.0                               | 1,909                               | 118.1   |
| <b>Public Safety<br/>Other Division B<br/>(without Social Security)</b> | 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  |
|   | 1/01/05  | 110,438                                | 133,380  | 22,942                                      | 82.8                               | 29,576                              | 77.6  |
|   | 1/01/06  | 124,426                                | 147,032  | 22,606                                      | 84.6                               | 31,500                              | 71.8  |
|   | 1/01/07  | 143,308                                | 164,346  | 21,038                                      | 87.2                               | 32,973                              | 63.8  |
|   | 1/01/08  | 165,696                                | 189,999  | 24,303                                      | 87.2                               | 34,591                              | 70.3  |
|   | 1/01/09  | 168,044                                | 215,201  | 47,157                                      | 78.1                               | 38,837                              | 121.4   |
|   | 12/31/09 | 183,794                                | 235,039  | 51,245                                      | 78.2                               | 40,755                              | 125.7   |
| <b>Total<br/>Public Safety<br/>Retirement System</b>                    | 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  |
|   | 1/01/05  | 1,524,904                              | 1,726,785  | 201,881                                     | 88.3                               | 293,797                             | 68.7  |
|   | 1/01/06  | 1,633,022                              | 1,834,452  | 201,430                                     | 89.0                               | 298,756                             | 67.4  |
|   | 1/01/07  | 1,809,198                              | 1,968,982  | 159,784                                     | 91.9                               | 316,662                             | 50.5  |
|   | 1/01/08  | 2,038,613                              | 2,247,826  | 209,213                                     | 90.7                               | 339,187                             | 61.7  |
|   | 1/01/09  | 2,017,576                              | 2,473,667  | 456,091                                     | 81.6                               | 365,043                             | 124.9   |
|   | 12/31/09 | 2,137,027                              | 2,644,070  | 507,043                                     | 80.8                               | 373,959                             | 135.6   |

## Public Safety Retirement System

## Schedules of Employer Contributions by Division

*(dollars in thousands)*

| Division                      | Year Ended | Employer Contributions        |                        |
|-------------------------------|------------|-------------------------------|------------------------|
|                               |            | Annual Required Contributions | Percentage Contributed |
| <b>Public Safety</b>          | 2000       | \$19,250                      | 100%                   |
| <b>State of Utah</b>          | 2001       | 17,990                        | 100                    |
|                               | 2002       | 16,476                        | 100                    |
|                               | 2003       | 17,406                        | 100                    |
|                               | 2004       | 20,923                        | 100                    |
|                               | 2005       | 21,340                        | 100                    |
|                               | 2006       | 24,269                        | 100                    |
|                               | 2007       | 27,713                        | 100                    |
|                               | 2008       | 34,114                        | 100                    |
|                               | 2009       | 34,862                        | 100                    |
| <b>Public Safety</b>          | 2000       | \$17,700                      | 100%                   |
| <b>Other Division A</b>       | 2001       | 16,326                        | 100                    |
| <b>(with Social Security)</b> | 2002       | 14,639                        | 100                    |
|                               | 2003       | 16,980                        | 100                    |
|                               | 2004       | 21,426                        | 100                    |
|                               | 2005       | 24,049                        | 100                    |
|                               | 2006       | 28,146                        | 100                    |
|                               | 2007       | 32,961                        | 100                    |
|                               | 2008       | 36,318                        | 100                    |
|                               | 2009       | 39,078                        | 100                    |
| <b>Public Safety</b>          | 2000       | \$ 6,286                      | 100%                   |
| <b>Salt Lake City</b>         | 2001       | 6,052                         | 100                    |
|                               | 2002       | 5,633                         | 100                    |
|                               | 2003       | 6,182                         | 100                    |
|                               | 2004       | 6,405                         | 100                    |
|                               | 2005       | 7,424                         | 100                    |
|                               | 2006       | 8,292                         | 100                    |
|                               | 2007       | 9,293                         | 100                    |
|                               | 2008       | 9,747                         | 100                    |
|                               | 2009       | 9,883                         | 100                    |
| <b>Public Safety</b>          | 2000       | \$ 1,122                      | 100%                   |
| <b>Ogden</b>                  | 2001       | 1,070                         | 100                    |
|                               | 2002       | 976                           | 100                    |
|                               | 2003       | 986                           | 100                    |
|                               | 2004       | 1,158                         | 100                    |
|                               | 2005       | 1,170                         | 100                    |
|                               | 2006       | 1,381                         | 100                    |
|                               | 2007       | 1,557                         | 100                    |
|                               | 2008       | 1,763                         | 100                    |
|                               | 2009       | 1,757                         | 100                    |
| <b>Public Safety</b>          | 2000       | \$ 562                        | 100%                   |
| <b>Provo</b>                  | 2001       | 485                           | 100                    |
|                               | 2002       | 433                           | 100                    |
|                               | 2003       | 455                           | 100                    |
|                               | 2004       | 543                           | 100                    |
|                               | 2005       | 565                           | 100                    |
|                               | 2006       | 634                           | 100                    |
|                               | 2007       | 771                           | 100                    |
|                               | 2008       | 1,477                         | 100                    |
|                               | 2009       | 1,546                         | 100                    |

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

| Division  | Year Ended | Employer Contributions        |                        |
|---|------------|-------------------------------|------------------------|
|   |            | Annual Required Contributions | Percentage Contributed |
| <b>Public Safety Logan</b>                                      | 2000       | \$ 162                        | 100%                   |
|   | 2001       | 109                           | 100                    |
|   | 2002       | 78                            | 100                    |
|   | 2003       | 132                           | 100                    |
|   | 2004       | 221                           | 100                    |
|   | 2005       | 271                           | 100                    |
|   | 2006       | 366                           | 100                    |
|   | 2007       | 508                           | 100                    |
|   | 2008       | 578                           | 100                    |
|   | 2009       | 715                           | 100                    |
| <b>Public Safety Bountiful</b>                                  | 2000       | \$ 340                        | 100%                   |
|   | 2001       | 320                           | 100                    |
|   | 2002       | 291                           | 100                    |
|   | 2003       | 298                           | 100                    |
|   | 2004       | 310                           | 100                    |
|   | 2005       | 339                           | 100                    |
|   | 2006       | 327                           | 100                    |
|   | 2007       | 373                           | 100                    |
|   | 2008       | 437                           | 100                    |
|   | 2009       | 434                           | 100                    |
| <b>Public Safety Other Division B (without Social Security)</b> | 2000       | \$ 3,931                      | 100%                   |
|   | 2001       | 3,761                         | 100                    |
|   | 2002       | 3,738                         | 100                    |
|   | 2003       | 4,216                         | 100                    |
|   | 2004       | 5,333                         | 100                    |
|   | 2005       | 6,168                         | 100                    |
|   | 2006       | 7,051                         | 100                    |
|   | 2007       | 7,990                         | 100                    |
|   | 2008       | 9,465                         | 100                    |
|   | 2009       | 10,454                        | 100                    |
| <b>Total Public Safety Retirement System</b>                    | 2000       | \$49,353                      | 100%                   |
|   | 2001       | 46,113                        | 100                    |
|   | 2002       | 42,264                        | 100                    |
|   | 2003       | 46,655                        | 100                    |
|   | 2004       | 56,319                        | 100                    |
|   | 2005       | 61,326                        | 100                    |
|   | 2006       | 70,466                        | 100                    |
|   | 2007       | 81,166                        | 100                    |
|   | 2008       | 93,899                        | 100                    |
|   | 2009       | 98,729                        | 100                    |

## Firefighters Retirement System

Schedules of Fiduciary Net Assets —  
Pension Trust Fund by Division

December 31, 2009

With Comparative Totals for December 31, 2008

|   | <i>(in thousands)</i>                   |  |                     |         |
|---|---|--|---------------------|---------|
|   | Division A<br>(with<br>Social Security) | Division B<br>(without<br>Social Security) | Total All Divisions |         |
|   |   |  | 2009                | 2008    |
| <b>Assets:</b>  |   |  |                     |         |
| Cash  | \$ 1                                    | 1  | 2                   | 2       |
| Receivables:  |   |  |                     |         |
| Member contributions  | 107                                     | 382  | 489                 | 421     |
| Fire insurance tax  | 2,579                                   | 7,582                                      | 10,161              | —       |
| Investments   | 1,453                                   | 9,541                                      | 10,994              | 14,583  |
| Total receivables   | 4,139                                   | 17,505                                     | 21,644              | 15,004  |
| Investments at fair value:  |   |  |                     |         |
| Short term securities, domestic   | 3,974                                   | 26,102                                     | 30,076              | 39,961  |
| Short term securities, international                                    | 63                                      | 415  | 478                 | 242     |
| Debt securities, domestic   | 18,770                                  | 123,276                                    | 142,046             | 152,222 |
| Debt securities, international  | 3,930                                   | 25,812                                     | 29,742              | 24,613  |
| Equity investments, domestic  | 22,460                                  | 147,516                                    | 169,976             | 125,366 |
| Equity investments, international                                       | 13,212                                  | 86,773                                     | 99,985              | 72,415  |
| Absolute return   | 12,108                                  | 79,523                                     | 91,631              | 81,027  |
| Private equity  | 7,084                                   | 46,525                                     | 53,609              | 55,717  |
| Real estate   | 14,054                                  | 92,306                                     | 106,360             | 126,711 |
| Mortgage loans  | 34                                      | 226  | 260                 | 265     |
| Total investments   | 95,689                                  | 628,474                                    | 724,163             | 678,539 |
| Invested securities lending collateral                                  | 7,222                                   | 47,430                                     | 54,652              | 42,701  |
| Property and equipment at cost,<br>net of accumulated depreciation      | 2                                       | 11   | 13                  | 21      |
| Total assets  | 107,053                                 | 693,421                                    | 800,474             | 736,267 |
| <b>Liabilities:</b>   |   |  |                     |         |
| Securities lending collateral liability                                 | 7,222                                   | 47,430                                     | 54,652              | 42,701  |
| Disbursements in excess of cash balance                                 | 99                                      | 652  | 751                 | 892     |
| Compensated absences, post employment<br>benefits and insurance reserve | 76                                      | 502  | 578                 | 484     |
| Investment accounts payable   | 2,783                                   | 18,279                                     | 21,062              | 31,914  |
| Real estate liabilities   | 5,446                                   | 35,766                                     | 41,212              | 47,577  |
| Total liabilities   | 15,626                                  | 102,629                                    | 118,255             | 123,568 |
| Net assets held in trust for pension benefits                           | \$ 91,427                               | 590,792                                    | 682,219             | 612,699 |



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

December 31, 2009

With Comparative Totals for Year Ended December 31, 2008

|  | <i>(in thousands)</i>                   |  |                     |           |
|--|---|--|---------------------|-----------|
|  | Division A<br>(with<br>Social Security) | Division B<br>(without<br>Social Security) | Total All Divisions |           |
|  |   |  | 2009                | 2008      |
| <b>Additions:</b>  |   |  |                     |           |
| Contributions:   |   |  |                     |           |
| Member   | \$ 3,566                                | 7,707                                      | 11,273              | 10,428    |
| Fire insurance tax   | 2,579                                   | 13,580                                     | 16,159              | 10,219    |
| Total contributions  | 6,145                                   | 21,287                                     | 27,432              | 20,647    |
| Investment income:   |   |  |                     |           |
| Net appreciation (depreciation)<br>in fair value of investments    | 8,474                                   | 55,141                                     | 63,615              | (205,336) |
| Interest, dividends and other investment income                    | 2,337                                   | 15,205                                     | 17,542              | 18,508    |
| Total income (loss) from investment activity                       | 10,811                                  | 70,346                                     | 81,157              | (186,828) |
| Less investment expenses   | 216                                     | 1,403                                      | 1,619               | 1,842     |
| Net income (loss) from investment activity                         | 10,595                                  | 68,943                                     | 79,538              | (188,670) |
| Income from security lending activity                              | 36                                      | 237  | 273                 | 575       |
| Net investment income (loss)                                       | 10,631                                  | 69,180                                     | 79,811              | (188,095) |
| Transfers from affiliated systems                                  | (15)                                    | 1,188                                      | 1,173               | 1,491     |
| Total additions  | 16,761                                  | 91,655                                     | 108,416             | (165,957) |
| <b>Deductions:</b>   |   |  |                     |           |
| Retirement benefits  | 2,863                                   | 27,234                                     | 30,097              | 27,792    |
| Cost of living benefits  | 523                                     | 7,269                                      | 7,792               | 7,093     |
| Supplemental retirement benefits                                   | 19                                      | 403  | 422                 | 470       |
| Refunds  | 126                                     | 105  | 231                 | 284       |
| Administrative expenses  | 48                                      | 306  | 354                 | 379       |
| Total deductions   | 3,579                                   | 35,317                                     | 38,896              | 36,018    |
| Increase (decrease) from operations                                | 13,182                                  | 56,338                                     | 69,520              | (201,975) |
| Net assets held in trust for pension<br>benefits beginning of year | 78,245                                  | 534,454                                    | 612,699             | 814,674   |
| Net assets held in trust for pension benefits end of year          | \$91,427                                | 590,792                                    | 682,219             | 612,699   |

## Firefighters Retirement System

## Schedules of Funding Progress by Division

*(dollars in thousands)*

| Division                         | Date     | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age | (3)<br>Unfunded<br>AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded<br>Ratios<br>(1)/(2) | (5)<br>Annual<br>Covered<br>Payroll | (6)<br>UAAL as<br>a % of<br>Covered<br>Payroll<br>(3)/(5) |
|----------------------------------|----------|--|--|---|------------------------------------|-------------------------------------|---|
| <b>Firefighters</b>              | 1/01/01  | \$ 49,688                              | 38,955   | (10,733)                                    | 127.6%                             | 9,733                               | (110.3)   |
| <b>Division A</b>                | 1/01/02  | 54,345                                 | 46,108   | (8,237)                                     | 117.9                              | 12,070                              | (68.2)  |
| <b>(with Social Security)</b>    | 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)  |
|                                  | 1/01/05  | 65,260                                 | 62,802   | (2,458)                                     | 103.9                              | 15,490                              | (15.9)  |
|                                  | 1/01/06  | 72,396                                 | 73,109   | 713   | 99.0                               | 18,344                              | 3.9   |
|                                  | 1/01/07  | 82,969                                 | 81,160   | (1,809)                                     | 102.2                              | 20,076                              | (9.0)   |
|                                  | 1/01/08  | 96,207                                 | 94,414   | (1,793)                                     | 101.9                              | 22,589                              | (7.9)   |
|                                  | 1/01/09  | 97,806                                 | 104,568  | 6,762                                       | 93.5                               | 24,641                              | 27.4  |
|                                  | 12/31/09 | 106,035                                | 114,456  | 8,421                                       | 92.6                               | 27,318                              | 30.8  |
| <b>Firefighters</b>              | 1/01/01  | \$486,815                              | 416,501  | (70,314)                                    | 116.9%                             | 53,541                              | (131.3)   |
| <b>Division B</b>                | 1/01/02  | 514,806                                | 445,166  | (69,640)                                    | 115.6                              | 55,122                              | (126.3)   |
| <b>(without Social Security)</b> | 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)  |
|                                  | 1/01/05  | 545,428                                | 516,089  | (29,339)                                    | 105.7                              | 64,148                              | (45.7)  |
|                                  | 1/01/06  | 572,100                                | 541,250  | (30,850)                                    | 105.7                              | 65,717                              | (46.9)  |
|                                  | 1/01/07  | 622,082                                | 562,605  | (59,477)                                    | 110.6                              | 68,606                              | (86.7)  |
|                                  | 1/01/08  | 691,456                                | 638,415  | (53,041)                                    | 108.3                              | 73,178                              | (72.5)  |
|                                  | 1/01/09  | 668,065                                | 672,054  | 3,989                                       | 99.4                               | 77,611                              | 5.1   |
|                                  | 12/31/09 | 696,541                                | 710,698  | 14,157                                      | 98.0                               | 80,307                              | 17.6  |
| <b>Total</b>                     | 1/01/01  | \$536,503                              | 455,456  | (81,047)                                    | 117.8%                             | 63,274                              | (128.1)   |
| <b>Firefighters</b>              | 1/01/02  | 569,151                                | 491,274  | (77,877)                                    | 115.9                              | 67,192                              | (115.9)   |
| <b>Retirement</b>                | 1/01/03  | 553,589                                | 521,164  | (32,425)                                    | 106.2                              | 71,354                              | (45.4)  |
| <b>System</b>                    | 1/01/04  | 589,502                                | 549,378  | (40,124)                                    | 107.3                              | 75,619                              | (53.1)  |
|                                  | 1/01/05  | 610,688                                | 578,891  | (31,797)                                    | 105.5                              | 79,638                              | (39.9)  |
|                                  | 1/01/06  | 644,496                                | 614,359  | (30,137)                                    | 104.9                              | 84,061                              | (35.9)  |
|                                  | 1/01/07  | 705,051                                | 643,765  | (61,286)                                    | 109.5                              | 88,682                              | (69.1)  |
|                                  | 1/01/08  | 787,663                                | 732,829  | (54,834)                                    | 107.5                              | 95,767                              | (57.3)  |
|                                  | 1/01/09  | 765,871                                | 776,622  | 10,751                                      | 98.6                               | 102,252                             | 10.5  |
|                                  | 12/31/09 | 802,576                                | 825,154  | 22,578                                      | 97.3                               | 107,625                             | 21.0  |

**Firefighters Retirement System**

**Schedules of Employer Contributions by Division**

*(dollars in thousands)*

| Division                         | Year Ended | Employer Contributions        |                        |
|----------------------------------|------------|-------------------------------|------------------------|
|                                  |            | Annual Required Contributions | Percentage Contributed |
| <b>Firefighters</b>              | 2000       | \$ 1,290                      | 100%                   |
| <b>Division A</b>                | 2001       | 1,489                         | 100                    |
| <b>(with Social Security)</b>    | 2002       | 1,791                         | 100                    |
|                                  | 2003       | 1,748                         | 100                    |
|                                  | 2004       | 1,687                         | 100                    |
|                                  | 2005       | 2,098                         | 100                    |
|                                  | 2006       | 2,153                         | 100                    |
|                                  | 2007       | 3,241                         | 100                    |
|                                  | 2008       | 2,471                         | 100                    |
|                                  | 2009       | 2,579                         | 100                    |
| <b>Firefighters</b>              | 2000       | \$ 5,465                      | 100%                   |
| <b>Division B</b>                | 2001       | 6,865                         | 100                    |
| <b>(without Social Security)</b> | 2002       | 7,663                         | 100                    |
|                                  | 2003       | 7,311                         | 100                    |
|                                  | 2004       | 6,972                         | 100                    |
|                                  | 2005       | 7,503                         | 100                    |
|                                  | 2006       | 7,365                         | 100                    |
|                                  | 2007       | 10,556                        | 100                    |
|                                  | 2008       | 7,748                         | 100                    |
|                                  | 2009       | 13,580                        | 100                    |
| <b>Total</b>                     | 2000       | \$ 6,755                      | 100%                   |
| <b>Firefighters</b>              | 2001       | 8,354                         | 100                    |
| <b>Retirement</b>                | 2002       | 9,454                         | 100                    |
| <b>System</b>                    | 2003       | 9,059                         | 100                    |
|                                  | 2004       | 8,659                         | 100                    |
|                                  | 2005       | 9,601                         | 100                    |
|                                  | 2006       | 9,518                         | 100                    |
|                                  | 2007       | 13,797                        | 100                    |
|                                  | 2008       | 10,219                        | 100                    |
|                                  | 2009       | 16,159                        | 100                    |

## Utah Retirement Systems

Schedules of  
Administrative  
and Investment  
Expenses

Year Ended December 31, 2009

*(in thousands)*

|   | Total    |
|---|----------|
| Personal services:                                      |          |
| Salaries and wages                                      | \$ 8,510 |
| Employee benefits                                       | 3,921    |
| Total personal services                                 | 12,431   |
| Professional services:                                  |          |
| Audit   | 184      |
| Actuarial services                                      | 416      |
| General counsel   | 1,448    |
| Banking services  | 68       |
| Security handling expense                               | 567      |
| Investment advisor fees                                 | 39,835   |
| Other consulting services                               | 1,673    |
| Total professional services                             | 44,191   |
| Communications:   |          |
| Telephone   | 411      |
| Postage   | 651      |
| Other   | 3        |
| Total communications                                    | 1,065    |
| Rentals:  |          |
| Office space  | 1,138    |
| Total rentals   | 1,138    |
| Miscellaneous:  |          |
| Data processing   | 1,452    |
| Professional development                                | 339      |
| Contractual services                                    | 474      |
| Supplies and maintenance                                | 143      |
| Insurance and bonding premiums                          | 476      |
| Subscription expense                                    | 16       |
| Office supplies   | 441      |
| Other   | 278      |
| Depreciation expense                                    | 546      |
| Total miscellaneous                                     | 4,165    |
| Total administrative and investment expenses            | \$62,990 |
| Allocation of administrative expenses:                  |          |
| Noncontributory Retirement System                       | \$ 8,340 |
| Contributory Retirement System                          | 555      |
| Public Safety Retirement System                         | 1,127    |
| Firefighters Retirement System                          | 354      |
| Judges Retirement System                                | 66       |
| Utah Governors and Legislators Retirement Plan          | 5        |
| 401(k) Plan   | 6,341    |
| 457 Plan  | 699      |
| Roth IRA Plan   | 26       |
| Traditional IRA Plan                                    | 52       |
| Health Reimbursement Arrangement (HRA)                  | 6        |
| Total administrative expenses                           | 17,571   |
| Investment administrative expense                       | 5,584    |
| Investment advisor fees:                                |          |
| Investment Fund   | 36,755   |
| 401(k) Plan   | 2,753    |
| 457 Plan  | 291      |
| Roth IRA Plan   | 12       |
| Traditional IRA Plan                                    | 24       |
| Health Reimbursement Arrangement (HRA)                  | —        |
| Total investment expenses                               | 45,419   |
| Total administrative and investment expense allocations | \$62,990 |

# Investment Section

## DEFINED BENEFIT INVESTMENTS

|   |     |
|---|-----|
| Report on Investment Activity                                     | 101 |
| Outline of Investment Policies and Investment Summary             | 103 |
| Asset Allocation  | 104 |
| Total Pension Investment Rates of Return                          | 105 |
| Comparative Investment Results                                    | 106 |
| List of Largest Assets Held and Schedules of Fees and Commissions | 107 |
| Investment Professionals — Defined Benefit                        | 108 |

## DEFINED CONTRIBUTION PLANS

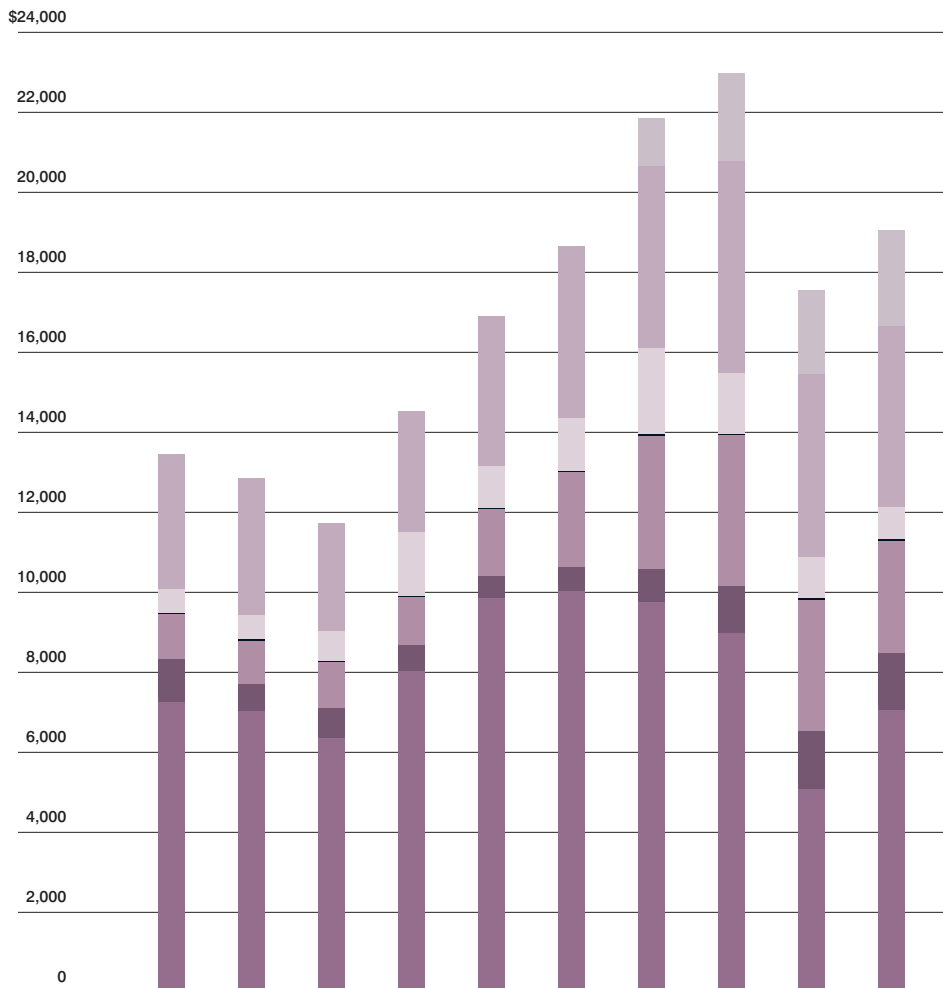
|   |     |
|---|-----|
| Investment Highlights   | 109 |
| Comparative Rates of Return                                       | 111 |
| List of Largest Assets Held and Schedules of Fees and Commissions | 112 |
| Investment Professionals — Defined Contribution Plans             | 113 |



All Retirement Systems

# 10-Year Investment Comparison

(in millions)



|                       | (in millions) | 2000            | 2001          | 2002          | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          |
|-----------------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Absolute Return       | \$            | —               | —             | —             | —             | —             | —             | 1,198         | 2,196         | 2,097         | 2,411         |
| Debt Securities       |               | 3,384           | 3,463         | 2,698         | 3,062         | 3,754         | 4,301         | 4,558         | 5,315         | 4,578         | 4,521         |
| Short Term Securities |               | 595             | 603           | 763           | 1,582         | 1,055         | 1,324         | 2,163         | 1,515         | 1,041         | 804           |
| Mortgages             |               | 3               | 3             | 4             | 7             | 7             | 7             | 7             | 7             | 7             | 7             |
| Real Estate           |               | 1,133           | 1,076         | 1,124         | 1,188         | 1,673         | 2,353         | 3,330         | 3,772         | 3,280         | 2,799         |
| Private Equity        |               | 1,050           | 678           | 762           | 654           | 553           | 612           | 803           | 1,150         | 1,442         | 1,411         |
| Equities              |               | 7,308           | 7,068         | 6,394         | 8,070         | 9,896         | 10,061        | 9,804         | 9,029         | 5,120         | 7,104         |
| <b>Totals</b>         |               | <b>\$13,473</b> | <b>12,891</b> | <b>11,745</b> | <b>14,563</b> | <b>16,938</b> | <b>18,658</b> | <b>21,863</b> | <b>22,984</b> | <b>17,565</b> | <b>19,057</b> |

Utah Retirement Systems

# Defined Benefit Investments

## Report on Investment Activity

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

ROBERT V. NEWMAN  
EXECUTIVE DIRECTOR

April 16, 2010

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

Dear Members of the Utah Retirement Systems:

Although domestic equity markets sharply rebounded in 2009 (The S&P 500 returned 26.47%), the economy remained weak. Unemployment exceeded 10% by the end of the year and credit was not expanding enough to give any sustained lift to the economy. The economy did grow during the second half of 2009: 2.2% for the third quarter and 5.7% for the fourth quarter. But this seeming good growth was more driven from fiscal and monetary stimuli and inventory replacement than any real economic expansion. The economy took such a hit in 2008 that it will probably be an extended period of time before the economy really heals. There was criticism that not enough was being done to create jobs. The public expressed outrage at the compensation packages of top executives of financial institutions and other corporations, especially when they felt that taxpayer money had been used to sustain their companies. Perhaps that pressure came to bear as these institutions paid back taxpayer dollars in order to retain their autonomy. Although that was good news for the taxpayer, there is still a great

deal of money owing the government that has yet to be repaid. Housing still will struggle with increased foreclosures and increased inventory of homes for sale. Commercial real estate experienced significant mark downs and perhaps will experience more. There is still too much leverage in the financial system which will result in additional losses as firms de-lever. The government has a tremendous challenge not only to curb any possible inflationary outbreaks, but also to dispose of all the bad credit it has purchased to prop up the economy. On top of all this, the dollar continued to weaken in 2009. At least inflation stayed fairly muted. It rose 2.7% but is somewhat overstated as that number is against decreasing prices in 2008.

As stated previously, equity markets did well in 2009. The international market as measured by the Europe Australia Asia Far East index ("EAFE") returned 31.78% for the year. Emerging Markets as measured by the Morgan Stanley Capital International ("MSCI") Emerging Markets Free-Unhedged Index returned an impressive 79%. However, they

**Defined Benefit Investments**

## Investment Highlights (Continued)



lost 53% in 2008. Bonds as measured by the Barclays Global Aggregate returned almost 6%. There was a significant contrast in the private and public commercial real estate markets. Private real estate decreased 16.86% as measured by the National Council of Real Estate Investment Fiduciaries ("NCREIF") and public real estate as measured by the National Association of Real Estate Investment Trusts ("NAREIT") increased by 27.99%.

The Utah Retirement Systems ("Systems") posted a 12.9% return for the year; this compares to our benchmark return for the portfolio of 16.59%. We underperformed our benchmark mainly due to write downs in our real estate portfolio and private equity portfolio. Our portfolio benchmark uses an unlevered real estate index and our real estate portfolio was levered. Thus our mark downs were almost twice that of the benchmark. The private equity portion of our

portfolio benchmark uses a public benchmark plus a premium of 3%. The private equity market experienced mark downs in 2009 and our portfolio was no exception. However, the public equity markets as shown above did very well. Thus our private equity attribution was skewed more on technical factors than on economic losses. The Systems' one-year return of 12.9% was considerably better than last year's return of -22.3%.

Although we moved in the right direction last year, we still face some challenge ahead as we invest in turbulent markets. The System's funded ratio of about 86% still ranks as a top quartile public pension fund in the United States. We have confidence that the economy and market will normalize over time. We just need to be patient. Patience has stood us in good stead in the past and it will in the future. Our participants can count on their retirement even though economies and markets experience temporary setbacks.

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;

## 2009 Investment Summary

(dollars in thousands)

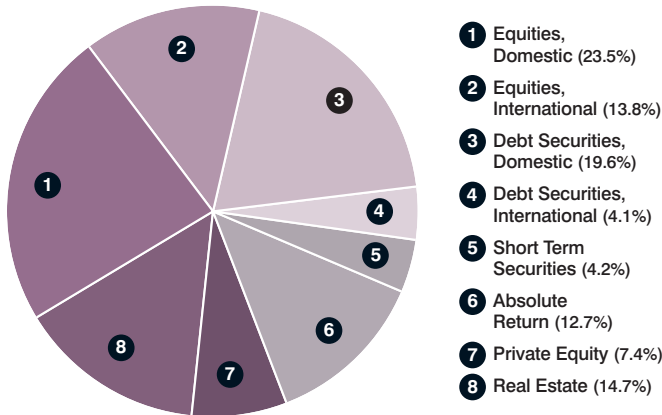
|                                      | 2009<br>Beginning<br>Fair Value | Purchases         | Sales and<br>Redemptions | Increase<br>(Decrease)<br>in Fair Value | 2009<br>Ending<br>Fair Value | Percent<br>of Total<br>Fair Value |
|--------------------------------------|---------------------------------|-------------------|--------------------------|---|------------------------------|-----------------------------------|
| Short term securities, domestic      | \$ 1,034,442                    | 22,875,547        | 23,118,712               | 230                                     | 791,507                      | 4.15%                             |
| Short term securities, international | 6,256                           | 9,158,647         | 9,147,965                | (4,345)                                 | 12,593                       | 0.07                              |
| Debt securities, domestic            | 3,940,429                       | 15,072,504        | 15,416,340               | 141,552                                 | 3,738,145                    | 19.62                             |
| Debt securities, international       | 637,127                         | 1,105,059         | 1,043,843                | 84,374                                  | 782,717                      | 4.11                              |
| Equities, domestic                   | 3,245,247                       | 1,239,753         | 1,117,023                | 1,105,203                               | 4,473,180                    | 23.47                             |
| Equities, international              | 1,874,535                       | 827,078           | 1,075,242                | 1,004,888                               | 2,631,259                    | 13.81                             |
| Absolute return                      | 2,097,466                       | 463,285           | 528,640                  | 379,308                                 | 2,411,419                    | 12.65                             |
| Private equity                       | 1,442,274                       | 445,040           | 270,020                  | (206,485)                               | 1,410,809                    | 7.40                              |
| Real estate                          | 3,280,056                       | 186,327           | 88,280                   | (579,061)                               | 2,799,042                    | 14.69                             |
| Mortgage loans                       | 6,845                           | —                 | —                        | —                                       | 6,844                        | 0.03                              |
| <b>Totals</b>                        | <b>\$17,564,677</b>             | <b>51,373,240</b> | <b>51,806,066</b>        | <b>1,925,664</b>                        | <b>19,057,515</b>            | <b>100.00%</b>                    |

**Defined Benefit Investments**

Investment Highlights (Continued)

**Year-end Asset Allocation at Fair Value**

December 31, 2009



December 31,

|                                       | 2004          | 2005         | 2006         | 2007         | 2008         | 2009         |
|---------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| <b>Equities, domestic</b>             | <b>38.5%</b>  | <b>34.2</b>  | <b>29.3</b>  | <b>26.0</b>  | <b>18.5</b>  | <b>23.5</b>  |
| <b>Equities, international</b>        | <b>19.9</b>   | <b>19.7</b>  | <b>15.5</b>  | <b>13.1</b>  | <b>10.7</b>  | <b>13.8</b>  |
| <b>Debt securities, domestic</b>      | <b>17.0</b>   | <b>18.5</b>  | <b>16.6</b>  | <b>20.8</b>  | <b>22.5</b>  | <b>19.6</b>  |
| <b>Debt securities, international</b> | <b>5.2</b>    | <b>4.6</b>   | <b>4.3</b>   | <b>2.5</b>   | <b>3.6</b>   | <b>4.1</b>   |
| <b>Private equity</b>                 | <b>3.3</b>    | <b>3.3</b>   | <b>3.7</b>   | <b>5.0</b>   | <b>8.2</b>   | <b>7.4</b>   |
| <b>Real estate</b>                    | <b>9.9</b>    | <b>12.6</b>  | <b>15.2</b>  | <b>16.4</b>  | <b>18.7</b>  | <b>14.7</b>  |
| <b>Short term securities</b>          | <b>6.2</b>    | <b>7.1</b>   | <b>9.9</b>   | <b>6.6</b>   | <b>5.9</b>   | <b>4.2</b>   |
| <b>Absolute return</b>                | <b>—</b>      | <b>—</b>     | <b>5.5</b>   | <b>9.6</b>   | <b>11.9</b>  | <b>12.7</b>  |
| <b>Total portfolio</b>                | <b>100.0%</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

- Describe plan and manager policies and objectives for performance evaluation;
- Communicate investment performance standards to investment managers.

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

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

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

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

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

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

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

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

## Ten-Year Total Pension Investment Rates of Return

(in percents)



## Ten-Year Total Pension Investment Rates of Return

(dollars in millions)

|      | Total Investment Portfolio Fair Value | (1) Smoothed Expected Rate of Return | (2) Fair Value Rate of Return | (3) Actuarial Assumed Interest Rate |
|------|---------------------------------------|--------------------------------------|-------------------------------|-------------------------------------|
| 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                                |
| 2005 | 18,657                                | 7.36                                 | 8.96                          | 8.00                                |
| 2006 | 21,861                                | 11.10                                | 14.77                         | 8.00                                |
| 2007 | 22,979                                | 13.04                                | 7.15                          | 8.00                                |
| 2008 | 17,565                                | (5.03)                               | (22.30)                       | 7.75                                |
| 2009 | 19,058                                | 6.11                                 | 12.88                         | 7.75                                |

(1) **Smoothed Expected Rate of Return** consists of investment income in excess or shortfall of the expected 7.75% 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 2009, 12.65% net of fees.)

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

**Defined Benefit Investments**

## Investment Highlights (Continued)

**Comparative Investment Results<sup>(1)(2)(3)</sup>**

Year Ended December 31, 2009

| Investment Option<br>Comparative Index            | 1 Year         | 3 Year         | 5 Year       | 10 Year      |
|---|----------------|----------------|--------------|--------------|
| <b>Domestic Equity</b> .....                      | <b>33.38%</b>  | <b>(5.91)%</b> | <b>0.47%</b> | <b>1.87%</b> |
| Russell 3000 Index.....                           | 28.34          | (5.42)         | 0.76         | (0.20)       |
| <b>International Equity</b> .....                 | <b>39.03</b>   | <b>(2.99)</b>  | <b>6.34</b>  | <b>3.31</b>  |
| International Equity Benchmark.....               | 39.64          | (4.54)         | 5.21         | 2.34         |
| Benchmark consisting of:                          |                |                |              |              |
| 75% MSCI EAFE Index                               |                |                |              |              |
| 15% MSCI Emerging Markets Index                   |                |                |              |              |
| 10% Citigroup Extended Markets Index World ex-US  |                |                |              |              |
| <b>Domestic Debt Securities</b> .....             | <b>11.49</b>   | <b>6.18</b>    | <b>4.91</b>  | <b>5.94</b>  |
| Barclays Capital Aggregate Index.....             | 5.93           | 6.04           | 4.97         | 6.33         |
| <b>International Debt Securities</b> .....        | <b>10.55</b>   | <b>5.65</b>    | <b>4.44</b>  | <b>6.68</b>  |
| Intl / Global Aggregate Index.....                | 6.93           | 7.05           | 4.45         | 6.22         |
| <b>Real Estate</b> .....                          | <b>(26.90)</b> | <b>(11.50)</b> | <b>1.43</b>  | <b>5.57</b>  |
| Real Estate Benchmark.....                        | (9.51)         | (3.20)         | 5.09         | 8.07         |
| Benchmark consisting of:                          |                |                |              |              |
| 85% NCREIF Real Estate Index                      |                |                |              |              |
| 15% NAREIT Index                                  |                |                |              |              |
| <b>Private Equity</b> .....                       | <b>(10.96)</b> | <b>5.89</b>    | <b>12.54</b> | <b>8.18</b>  |
| Private Equity Benchmark.....                     | 32.36          | (2.22)         | 4.11         | 3.12         |
| Benchmark consisting of:                          |                |                |              |              |
| 85% Russell 3000 Index + 3.5%                     |                |                |              |              |
| 15% Russell 3000 Index + 2.0%                     |                |                |              |              |
| <b>Absolute Return</b> .....                      | <b>17.49</b>   | <b>(0.86)</b>  | <b>NA*</b>   | <b>NA*</b>   |
| Treasury Bills + 5%.....                          | 5.21           | 7.40           | NA*          | NA*          |
| <b>Short Term</b> .....                           | <b>0.58</b>    | <b>2.85</b>    | <b>3.28</b>  | <b>3.86</b>  |
| 3 Month Treasury Bills.....                       | 0.21           | 2.40           | 3.02         | 2.99         |
| <b>Total Fund</b> .....                           | <b>12.88</b>   | <b>(1.98)</b>  | <b>3.41</b>  | <b>4.24</b>  |
| Fund Benchmark .....                              | 16.59          | (0.08)         | 4.45         | 4.29         |
| Benchmark consisting of:                          |                |                |              |              |
| 25.0% Russell 3000 Index                          |                |                |              |              |
| 18.0% 3 Month Treasury Bills + 5%                 |                |                |              |              |
| 16.0% Barclays Capital Aggregate Bond Index       |                |                |              |              |
| 11.25% MSCI EAFE Index                            |                |                |              |              |
| 11.05% NCREIF Total Index                         |                |                |              |              |
| 8.0% Russell 3000 Index + 3.5%                    |                |                |              |              |
| 4.0% Barclays Capital Global Aggregate Index      |                |                |              |              |
| 2.25% MSCI Emerging Markets Index                 |                |                |              |              |
| 1.95% NAREIT Index                                |                |                |              |              |
| 1.5% Citigroup Extended Markets Index World ex-US |                |                |              |              |
| 1.0% Russell 3000 Index +2%                       |                |                |              |              |
| CAI Public Fund — Large Database Medium.....      | 16.97          | (2.40)         | 3.12         | 3.17         |
| <b>Inflation</b> .....                            | <b>3.4</b>     | <b>2.4</b>     | <b>2.6</b>   | <b>2.5</b>   |

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

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

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

\*Not available.

**Defined Benefit Investments**

## Investment Highlights (Continued)

**List of Largest Assets Held**

December 31, 2009

**Largest Equity Holdings**

(By Fair Value)

| Description           | Shares    | Fair Value   |
|-----------------------|-----------|--------------|
| Exxon Mobil Corp.     | 945,500   | \$64,473,645 |
| Apple Inc.            | 260,756   | 54,983,010   |
| JP Morgan Chase & Co. | 1,286,050 | 53,589,704   |
| Microsoft Corp        | 1,655,950 | 50,489,916   |
| Google Inc.           | 79,710    | 49,418,606   |
| Hewlett Packard Co.   | 922,550   | 47,520,551   |
| Cisco Systems Inc.    | 1,950,250 | 46,688,985   |
| Pfizer Inc.           | 2,021,413 | 36,769,502   |
| Wells Fargo & Co.     | 1,357,950 | 36,651,071   |
| AT&T Ins.             | 1,286,597 | 36,063,314   |

**Largest Debt Securities Holdings**

(By Fair Value)

| Description  | Par Value  | Fair Value   |
|--|------------|--------------|
| FNMA Single Family<br>Mortgage 5%<br>Due January 2010          | 66,945,000 | \$68,691,863 |
| US Treasury Notes/Bonds 4.375%<br>Due 11/15/2039 Reg           | 52,815,000 | 50,553,884   |
| US Treasury Notes/Bonds 3.375%<br>DTD Due 11/15/2019 Reg       | 51,455,000 | 49,493,535   |
| FNMA 15 Year<br>Pass-Throughs 5.5%<br>Due January 2010         | 42,000,000 | 44,415,000   |
| US Treasury Security Strip<br>Due 2/15/2015                    | 49,900,000 | 43,251,823   |
| US Treasury Security 4.5%<br>Due 8/15/2039                     | 39,280,000 | 38,390,072   |
| FNMA 30 Year<br>Pass-Throughs 5.5%<br>Due November 2010        | 25,000,000 | 26,593,048   |
| General Electric<br>Capital Corp. 2.125%<br>Due 12/21/2012     | 23,400,000 | 23,421,692   |
| Farmer Mac GTD Notes<br>TR 2006-2 GTD NT 5.5%<br>Due 7/15/2011 | 21,725,000 | 22,940,297   |
| US Treasury Notes<br>Inflation Indexed 4.25%<br>Due 1/15/2010  | 17,274,000 | 22,220,511   |

**Schedules of Fees and Commissions****Broker Commission Fees**

Year Ended December 31, 2009

| Broker                            | Total Commission Fees |
|-----------------------------------|-----------------------|
| Merrill Lynch & Co.               | \$ 473,215            |
| Instinet Corporation              | 446,030               |
| Jefferies & Company               | 311,275               |
| Weeden & Company                  | 232,553               |
| Credit Suisse                     | 230,128               |
| Goldman Sachs & Company           | 202,971               |
| JP Morgan Securities              | 202,471               |
| Morgan Stanley & Co.              | 165,800               |
| UBS AG                            | 143,970               |
| Citigroup Global Markets          | 138,029               |
| Deutsche Bank Securities, Inc.    | 126,222               |
| Barclays Capital                  | 118,652               |
| Sanford C Bernstein & Company     | 82,859                |
| Investment Technology Group (ITG) | 79,429                |
| Liquidnet                         | 70,039                |
| Bear Stearns & Company            | 66,855                |
| Cheuvreux de Virieu Paris         | 60,917                |
| Nomura Securities                 | 60,566                |
| Societe Generale                  | 56,254                |
| Credit Lyonnais Securities        | 52,671                |
| Macquarie Securities              | 46,890                |
| RBC Securities                    | 46,285                |
| Wachovia Capital Markets          | 39,772                |
| Pershing                          | 39,720                |
| Cazenove & Co.                    | 30,319                |
| All others                        | 843,752               |
| <b>Total</b>                      | <b>\$4,367,646</b>    |

**Schedule of Investment Fees and Commissions**

Year Ended December 31, 2009

|                                      |                      |
|--------------------------------------|----------------------|
| Investment advisor fees:             |                      |
| Equity securities, domestic          | \$ 4,622,373         |
| Equity securities, international     | 12,833,295           |
| Debt securities, domestic            | 4,258,823            |
| Debt securities, international       | 1,734,905            |
| Private equity                       | 11,333,352           |
| Real estate                          | 736,551              |
| Absolute return                      | 1,235,842            |
| <b>Total investment advisor fees</b> | <b>36,755,141</b>    |
| Investment brokerage fees            | 4,367,646            |
| <b>Total fees and commissions</b>    | <b>\$ 41,122,787</b> |

Utah Retirement Systems uses a commission recapture program as part of its trading strategies. During the year ending December 31, 2009, Utah Retirement Systems recaptured approximately \$372,000 from the gross commission charges. This sum plus accumulated recapture credits from prior years was used to fund almost \$383,000 in investment expenses that otherwise would have been paid for with investment funds.

**Defined Benefit Investments**

## Investment Highlights (Continued)

**Investment Professionals**

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

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

Alliance Bernstein  
1345 Avenue of the Americas  
New York, NY 10105

Axa Rosenberg Investment  
Management LLC  
4 Orinda Way, Building E  
Orinda, CA 94563

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

Black Rock Realty Advisors  
One Boston Place, 32nd Floor  
Boston, MA 02108

BNA Realty Advisors  
3550 N Central Avenue  
Suite 1025  
Phoenix, AZ 85012

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

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

Capital International  
333 South Hope Street  
Los Angeles, CA 90071

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

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

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

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

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

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

Goldman Sachs  
Asset Management, L.P.  
200 West Street  
37th Floor  
New York, NY 10282

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

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

Hancock Timber  
Resources Group  
99 High Street  
Boston, MA 02110

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

Henderson Global Investors  
One Financial Plaza  
Hartford, CT 06103

ING Clarion  
230 Park Avenue  
New York, NY 10169

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

Invesco Global Asset  
Management, Inc.  
Two Peachtree Pointe  
1555 Peachtree Street NE  
Suite 1800  
Atlanta, GA 30309

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

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

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

Longview Partners LP  
Thames Court  
1 Queenhithe  
London EC4V 3RL  
United Kingdom

Lord Abbett  
90 Hudson Street  
Jersey City, NJ 07302

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

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

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

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

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

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

Portfolio Advisors  
9 Old Kings Highway  
South Darien, CT 06820

Rexiter  
80 Cannon St.  
London EC4N 6HL  
United Kingdom

Sasco Capital  
10 Sasco Hill Road  
Fairfield, CT 06824

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

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

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

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

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

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

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

**Utah Retirement  
Systems Consultants**

Albourne America LLC  
655 Montgomery Street  
San Francisco, CA 94111

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

Russell Implementation  
Services, Inc.  
909 A Street  
Tacoma, WA 98402

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

# Defined Contribution Plans Investments



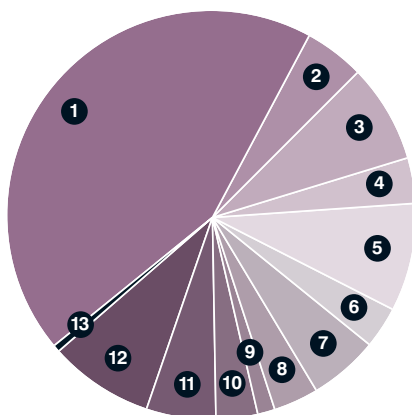
## Investment Highlights

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

The participants of the plans have a choice of eleven core investment funds and a brokerage window in which their monies may be invested. Each participant may choose one or a combination of the core funds. The table below shows the total investments in the various investment options. The asset graph below shows the asset distribution at December 31, 2009.

## Defined Contribution Plans Investments

December 31, 2009



- 1 Income Fund (30.26%)
- 2 Bond Fund (5.62%)
- 3 Balanced Fund (9.95%)
- 4 Large Cap Stock Value Fund (4.45%)
- 5 Large Cap Stock Index Fund (10.73%)
- 6 Large Cap Stock Growth Fund (4.44%)
- 7 International Fund (6.74%)
- 8 Small Cap Stock Fund (4.68%)
- 8 Brokerage Window (1.59%)
- 10 Short Horizon Fund (4.09%)
- 11 Medium Horizon Fund (7.01%)
- 12 Long Horizon Fund (10.33%)
- 13 HRA Fund (0.11%)

(in thousands)

| Investment Options                 | Total              |
|------------------------------------|--------------------|
| <b>Income Fund</b>                 | <b>\$866,992</b>   |
| <b>Bond Fund</b>                   | <b>161,089</b>     |
| <b>Balanced Fund</b>               | <b>284,973</b>     |
| <b>Large Cap Stock Value Fund</b>  | <b>127,561</b>     |
| <b>Large Cap Stock Index Fund</b>  | <b>307,389</b>     |
| <b>Large Cap Stock Growth Fund</b> | <b>127,289</b>     |
| <b>International Fund</b>          | <b>193,191</b>     |
| <b>Small Cap Stock Fund</b>        | <b>134,216</b>     |
| <b>Brokerage Window</b>            | <b>45,529</b>      |
| <b>Short Horizon Fund</b>          | <b>117,054</b>     |
| <b>Medium Horizon Fund</b>         | <b>200,916</b>     |
| <b>Long Horizon Fund</b>           | <b>296,022</b>     |
| <b>HRA Fund</b>                    | <b>2,994</b>       |
| <b>Totals</b>                      | <b>\$2,865,215</b> |

**Defined Contribution Investments**

## Investment Highlights (Continued)

**Investment and Administrative Expenses**

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

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

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

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

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

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

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

**2009 Investment Summary and Investment and Administrative Fees***(dollars in thousands)*

| Fund  | 2009<br>Beginning<br>Fair Value | Purchases      | Sales and<br>Redemptions | Increase<br>(Decrease)<br>in Fair<br>Value | 2009<br>Ending<br>Fair Value | Percent<br>of Total<br>Fair<br>Value | Invest-<br>ment<br>Fees | Admin-<br>istrative<br>Fees | Total<br>Fees |
|---|---------------------------------|----------------|--------------------------|--|------------------------------|--------------------------------------|-------------------------|-----------------------------|---------------|
| <b>Income Fund</b>  | \$ 857,989                      | 101,338        | 98,691                   | 6,356                                      | 866,992                      | 30.26%                               | 0.21%                   | 0.23%                       | 0.44%         |
| <b>Bond Fund</b>  | 107,702                         | 47,362         | 12,679                   | 18,704                                     | 161,089                      | 5.62                                 | 0.12                    | 0.23                        | 0.35          |
| <b>Balanced Fund</b>                                      | 225,135                         | 15,824         | 13,869                   | 57,883                                     | 284,973                      | 9.95                                 | 0.26                    | 0.23                        | 0.49          |
| <b>Large Cap Stock Value Fund</b>                         | 85,176                          | 22,386         | 10,615                   | 30,614                                     | 127,561                      | 4.45                                 | 0.42                    | 0.23                        | 0.65          |
| <b>Large Cap Stock Index Fund</b>                         | 246,444                         | 14,213         | 17,095                   | 63,827                                     | 307,389                      | 10.73                                | 0.03                    | 0.23                        | 0.26          |
| <b>Large Cap Stock Growth Fund</b>                        | 87,329                          | 17,968         | 10,731                   | 32,723                                     | 127,289                      | 4.44                                 | 0.29                    | 0.23                        | 0.52          |
| <b>International Fund</b>                                 | 139,650                         | 22,232         | 12,067                   | 43,376                                     | 193,191                      | 6.74                                 | 0.36                    | 0.23                        | 0.59          |
| <b>Small Cap Stock Fund</b>                               | 85,998                          | 26,525         | 13,044                   | 34,737                                     | 134,216                      | 4.68                                 | 0.41                    | 0.23                        | 0.64          |
| <b>Brokerage Window</b>                                   | 30,072                          | 10,004         | 3,485                    | 8,938                                      | 45,529                       | 1.59                                 | NA                      | 0.23                        | 0.23          |
| <b>Short Horizon Fund</b>                                 | 81,867                          | 27,365         | 8,219                    | 16,041                                     | 117,054                      | 4.09                                 | 0.19                    | 0.23                        | 0.42          |
| <b>Medium Horizon Fund</b>                                | 138,356                         | 35,526         | 9,136                    | 36,170                                     | 200,916                      | 7.01                                 | 0.20                    | 0.23                        | 0.43          |
| <b>Long Horizon Fund</b>                                  | 207,065                         | 35,056         | 7,680                    | 61,581                                     | 296,022                      | 10.33                                | 0.23                    | 0.23                        | 0.46          |
| <b>HRA Fund</b>   | 1,546                           | 1,982          | 534                      | —  | 2,994                        | 0.11                                 | 0.37                    | 0.23                        | 0.60          |
| <b>Group Annuity Fund</b><br><i>(closed October 2009)</i> | 39,220                          | —              | 39,588                   | 368  | —                            | —                                    | 1.13                    | 0.23                        | 1.36          |
| <b>Totals</b>   | <b>\$2,333,549</b>              | <b>377,781</b> | <b>257,433</b>           | <b>411,318</b>                             | <b>2,865,215</b>             | <b>100.00%</b>                       |                         |                             |               |



**Defined Contribution Investments**

## Investment Highlights (Continued)

## Defined Contribution Plans Comparative Annualized Rates of Return

Year Ended December 31, 2009

| Investment Option<br>Comparative Index | Annualized   |               |               |               |
|--|--------------|---------------|---------------|---------------|
|  | 1 Year       | 3 Year        | 5 Year        | 10 Year       |
| <b>Income Fund</b>                     | <b>2.49%</b> | <b>4.06%</b>  | <b>4.24%</b>  | <b>4.68%</b>  |
| Treasury Bills Index                   | 0.21         | 2.40          | 3.02          | 2.99          |
| Ryan Lab 3 Yr GIC Index                | 4.49         | 4.59          | 4.15          | 4.75          |
| <b>Bond Fund</b>                       | <b>16.31</b> | <b>6.91</b>   | <b>5.51</b>   | <b>6.77</b>   |
| Barclays Capital Aggregate Bond Index  | 5.93         | 6.04          | 4.97          | 6.33          |
| <b>Balanced Fund</b>                   | <b>27.34</b> | <b>0.72</b>   | <b>3.62</b>   | <b>4.05</b>   |
| Balanced Index (1)                     | 18.46        | (0.47)        | 2.63          | 2.39          |
| <b>Large Cap Stock Value Fund</b>      | <b>31.11</b> | <b>(9.45)</b> | <b>(0.82)</b> | <b>NA*</b>    |
| Russell 1000 Value Index               | 19.69        | (8.96)        | (0.25)        | 2.47          |
| <b>Large Cap Stock Index Fund</b>      | <b>26.24</b> | <b>(5.77)</b> | <b>0.22</b>   | <b>(1.20)</b> |
| S&P 500 Index                          | 26.47        | (5.63)        | 0.42          | (0.95)        |
| <b>Large Cap Stock Growth Fund</b>     | <b>35.11</b> | <b>0.16</b>   | <b>3.16</b>   | <b>(4.12)</b> |
| Russell 1000 Growth Index              | 37.21        | (1.89)        | 1.63          | (3.99)        |
| <b>International Fund</b>              | <b>29.59</b> | <b>(5.91)</b> | <b>3.73</b>   | <b>0.55</b>   |
| MSCI EAFE Index                        | 31.78        | (6.04)        | 3.54          | 1.17          |
| <b>Small Cap Stock Fund</b>            | <b>36.03</b> | <b>(5.69)</b> | <b>0.65</b>   | <b>5.54</b>   |
| Russell 2000 Index                     | 27.17        | (6.07)        | 0.51          | 3.51          |
| <b>Short Horizon Fund</b>              | <b>19.25</b> | <b>3.60</b>   | <b>4.25</b>   | <b>4.57</b>   |
| Short Horizon Index (2)                | 12.10        | 2.49          | 3.75          | 4.21          |
| <b>Medium Horizon Fund</b>             | <b>24.43</b> | <b>0.54</b>   | <b>3.79</b>   | <b>3.28</b>   |
| Medium Horizon Index (3)               | 18.44        | 0.17          | 3.47          | 3.32          |
| <b>Long Horizon Fund</b>               | <b>27.66</b> | <b>(2.76)</b> | <b>2.74</b>   | <b>1.94</b>   |
| Long Horizon Index (4)                 | 24.09        | (2.95)        | 2.53          | 2.03          |
| <b>HRA Fund</b>                        | <b>0.07</b>  | <b>2.33</b>   | <b>NA*</b>    | <b>NA*</b>    |
| Treasury Bills Index                   | 0.21         | 2.40          | 3.02          | 2.99          |
| <b>Group Annuity Fund (5)</b>          | <b>3.96</b>  | <b>4.49</b>   | <b>4.59</b>   | <b>5.07</b>   |
| Treasury Bills Index                   | 0.21         | 2.40          | 3.02          | 2.99          |

*Past performance does not guarantee future results.*

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

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

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

(2) Short Horizon Index: 15% Treasury Bills, 55% BC Aggregate Bond, 15% S&P 500, 10% MSCI EAFE, 5% Russell 2000

(3) Medium Horizon Index: 45% BC Aggregate Bond, 35% S&P 500, 15% MSCI EAFE, 5% Russell 2000

(4) Long Horizon Index: 20% BC Aggregate Bond, 45% S&P 500, 25% MSCI EAFE, 10% Russell 2000

(5) The Group Annuity Fund closed October 2009.

\*This fund has been available less than the number of years indicated.

**Defined Contribution Investments**

## Investment Highlights (Continued)

**List of Largest Assets Held**

December 31, 2009

**Largest Equity Holdings***(By Fair Value)*

| Description                | Shares  | Fair Value   |
|----------------------------|---------|--------------|
| Apple Inc.                 | 97,639  | \$20,588,160 |
| Google Inc. Class A        | 30,719  | 19,045,166   |
| Microsoft Corp.            | 543,573 | 16,573,541   |
| Hewlett Packard Corp.      | 287,763 | 14,845,229   |
| CISCO Systems Inc.         | 620,079 | 14,844,691   |
| Qualcomm Inc.              | 302,757 | 14,005,539   |
| JP Morgan Chase Corp.      | 334,405 | 13,934,656   |
| Exxon Mobile Corp.         | 198,767 | 13,553,922   |
| Visa Inc. Class A          | 126,100 | 11,028,706   |
| Schlumberger Limited Corp. | 162,837 | 10,632,385   |

**Largest Debt Securities Holdings***(By Fair Value)*

| Description                           | Par Value    | Fair Value   |
|---------------------------------------|--------------|--------------|
| Tri-party repo —<br>Bank of America   | \$73,172,000 | \$73,172,000 |
| US Treasury Note 2.375%<br>10/31/2014 | 62,465,000   | 62,037,000   |
| US Treasury Note 2.375%<br>8/31/2014  | 38,065,000   | 38,090,000   |
| US Treasury Note 2.15%<br>11/30/2014  | 29,665,000   | 29,016,000   |
| US Treasury Note 3.375%<br>11/15/2019 | 28,545,000   | 27,602,000   |
| US Treasury Note 3.5%<br>5/31/2013    | 23,285,000   | 24,608,000   |
| US Treasury Note 4.25%<br>8/15/2015   | 20,440,000   | 22,202,000   |
| FNMA Pool #AD0469 6%<br>4/01/2038 BEO | 17,446,553   | 18,568,018   |
| Freddie Mac MTN 2.375%<br>5/28/2010   | 18,260,000   | 18,463,000   |
| US Treasury Note 4.625%<br>12/31/2014 | 18,120,000   | 18,069,000   |

Utah Retirement Systems uses a commission recapture program as part of its trading strategies. During the year ending December 31, 2009, Utah Retirement Systems recaptured approximately \$83,000 from the gross commission charges. This sum plus accumulated recapture credits from prior years was used to fund almost \$57,000 in investment expenses that otherwise would have been paid for with investment funds.

**Schedules of Fees and Commissions****Summary of Broker Commissions**

Calendar Year 2009

| Broker                            | Total Commission Fees |
|-----------------------------------|-----------------------|
| Weeden & Company                  | \$101,733             |
| Jefferies & Company               | 38,799                |
| Frank Russell (step out broker)   | 32,416                |
| CSFB London                       | 17,959                |
| Cheuvreux de Virieu Paris         | 14,348                |
| JP Morgan Securities              | 13,620                |
| Goldman Sachs Money Market LP     | 12,971                |
| Morgan Stanley & Company Inc.     | 10,895                |
| CSFB New York                     | 9,278                 |
| Instinet U.K. Limited London      | 8,554                 |
| Societe Generale London           | 8,346                 |
| Merrill Lynch Intl. Ltd. Equities | 7,990                 |
| Merrill Lynch Gov. Securities     | 7,969                 |
| Deutsche Bank Securities Inc.     | 7,297                 |
| Citigroup Global Mkts. Inc.       | 6,597                 |
| All others                        | 118,972               |
| <b>Total</b>                      | <b>\$417,744</b>      |

**Schedule of Investment Fees**

Calendar Year 2009

|                                      |                    |
|--------------------------------------|--------------------|
| Investment advisor fees:             |                    |
| Debt securities, domestic            | \$1,448,095        |
| Equity investments, domestic         | 909,116            |
| Equity investments, international    | 723,250            |
| Investment contracts                 | —                  |
| <b>Total investment advisor fees</b> | <b>3,080,461</b>   |
| Investment brokerage fees            | 417,744            |
| <b>Total fees and commissions</b>    | <b>\$3,498,205</b> |

**Defined Contribution Investments**  
 Investment Highlights (Continued)



## Investment Professionals

### Defined Contribution Plans Investment Professionals

Ameriprise Trust Company  
 RiverSource Investments  
 759 Ameriprise Financial Center  
 Minneapolis, MN 55474  
*(Income Fund)*

Capital Guardian Trust Co.  
 333 South Hope Street  
 55th Floor  
 Los Angeles, CA 90071  
*(International Fund)*

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

Dimensional Fund Advisors, Inc.  
 1299 Ocean Avenue, 11th Floor  
 Santa Monica, CA 90401  
*(Small Cap Stock Fund)*

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

Goldman Sachs Asset Management  
 32 Old Slip, 23rd Floor  
 New York, NY 10005  
*(International Fund)*

Invesco Global Asset  
 Management, Inc.  
 Two Peachtree Point  
 1555 Peachtree Street NE  
 Suite 1800  
 Atlanta, GA 30309  
*(International Fund)*

Jennison Associates, LLC  
 466 Lexington Avenue  
 New York, NY 10017  
*(Balanced Fund, Large Cap  
 Stock Growth Fund)*

The Northern Trust Company  
 50 South LaSalle Street  
 Chicago, IL 60675  
*(Balanced Fund, HRA Fund,  
 Large Cap Stock Growth Fund)*

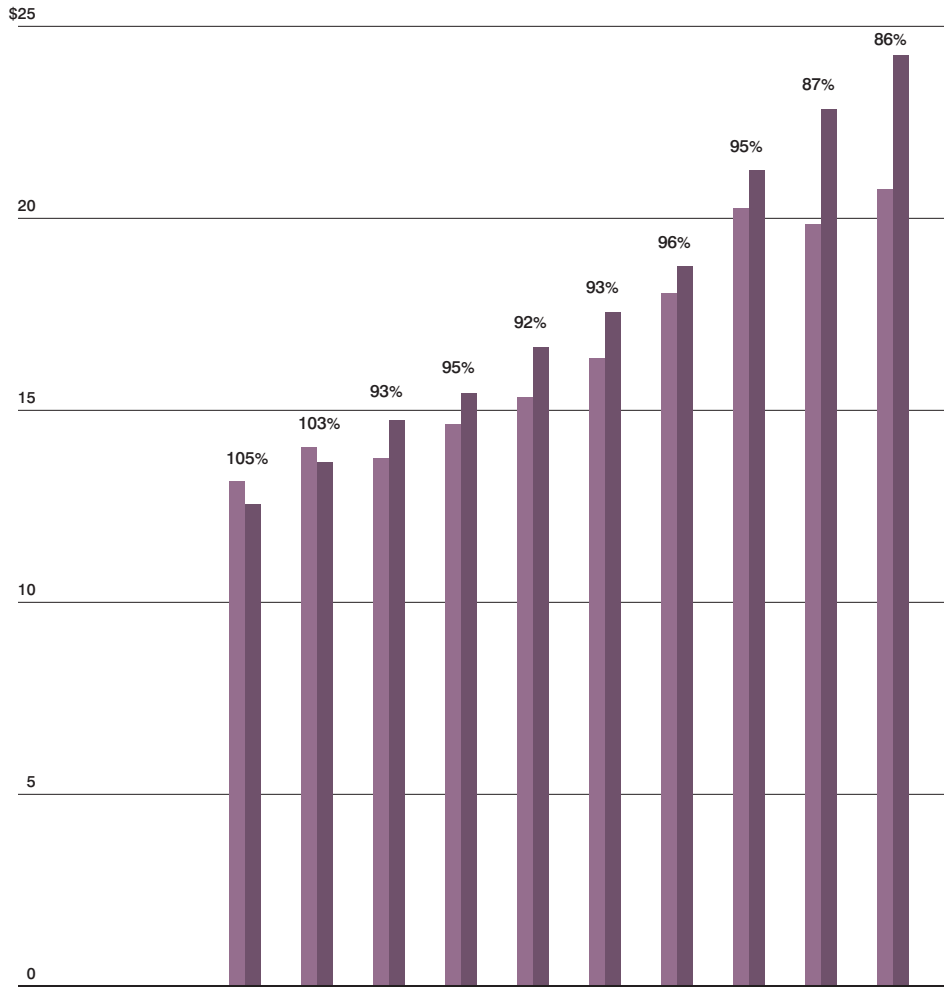
Utah Retirement Systems  
 540 East 200 South  
 Salt Lake City, UT 84102  
*(Large Cap Stock Index Fund)*

Waddell & Reed Asset  
 Management Group  
 6300 Lamar Avenue  
 Shawnee Mission, KS 66201  
*(Balanced Fund, Large Cap  
 Stock Growth Fund)*

All Retirement Systems

# Funding Progress with Funding Ratios

(dollars in billions)



|                             | 2000   | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------------------|--------|------|------|------|------|------|------|------|------|------|
| Actuarial Value of Assets   | \$13.2 | 14.1 | 13.8 | 14.7 | 15.4 | 16.4 | 18.1 | 20.3 | 19.9 | 20.8 |
| Accrued Actuarial Liability | 12.6   | 13.7 | 14.8 | 15.5 | 16.7 | 17.6 | 18.8 | 21.3 | 22.9 | 24.3 |
| Funding Ratios              | 105%   | 103% | 93%  | 95%  | 92%  | 93%  | 96%  | 95%  | 87%  | 86%  |

# Actuarial Section

|  |     |
|--|-----|
| Actuary's Certification Letter                           | 116 |
| Summary of Actuarial Assumptions and Methods             | 119 |
| Analysis of Financial Experience                         | 123 |
| Member and Employer Contribution Rates                   | 124 |
| Solvency Tests   | 126 |
| Schedules of Active Members Valuation Data               | 128 |
| Schedules of Retirants and Beneficiaries                 | 129 |
| Summaries of Plan Provisions                             | 130 |
| Changes in Plan Provisions                               | 137 |
| Summary of Defined Contribution Savings Plans Provisions | 138 |



# Actuary's Certification Letter



4600 S. Ulster Street 303.846.3031 phone  
 Suite 700 303.846.3028 fax  
 Denver, CO 80237-2882 www.gabrielroeder.com

September 30, 2009

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

Dear Members of the Board:

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, although, as discussed below, under certain circumstances the Board may choose not to reduce the current rate if it is greater than the actuarially calculated rate. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. I.e., the rates determined by this January 1, 2009 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2010 and ending June 30, 2011. 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%.

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

However, the very large investment loss experienced in 2008 would have driven the employer contributions rates much higher. Further, under current methods, much of the increase would have been recognized in this valuation, rather than being smoothed in uniformly over the next five years. As a result, the Board made two decisions to reduce the impact of the large investment losses in 2008 on this year's contribution rates. The first change was to increase the amortization period for amortizing the UAAL from 20 years to 25 years. This funding period will be closed (i.e. the funding period will decrease by one each year) until the funding period reaches 20 years, at which time the period will once again revert to an open 20-year amortization period.

The second change adopted by the Board was to widen the corridor used in the determination of the actuarial value of assets from 80% – 120% of market value to 75% – 125% of market value. This change allows more of the 2008 investment losses to be smoothed into the actuarial value of assets rather than being recognized in this valuation. The portion of the 2008 asset loss not recognized in this valuation will be recognized over the next four valuations.

In 2004, the Utah Legislature added Section 49-11-301(5) to the Utah Code. This section 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

## Actuary's Certification Letter (Continued)

rate set by the Board would be higher than the actuarially determined contribution rate. The purpose of this legislation is to enhance the Board's ability to maintain more-level contribution rates while targeting a 100% – 110% funded level. The Board has followed this policy since 2004, so the recommended contribution rate may be greater than the actuarially determined rate.

However, the employer contribution rates actuarially determined by this valuation are larger than the prior year's contribution rates for each of the funds other than Public Safety Salt Lake City and the 3% Substantial Substitute.

### **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%.

For all systems combined, the funded ratio decreased from 95.1% to 86.6%. This decrease was due to the -23.4% asset return in 2008. If market value had been used in the calculation instead of actuarial value, the aggregate funded ratio for all funds combined would have been 69.3%, compared to 98.3% the prior year.

The -23.4% market return for 2008 has cost the plan almost one-third of the anticipated assets as of this valuation. The actual return must be compared to the expected return of 7.75%, so the total shortfall is over 31% ( $-23.4\% - 7.75\% = -31.15\%$ ). The expected value of assets (assuming a 7.75% net return on market value) as of Dec. 31, 2008 was about \$22.4 billion, while the actual market value at that date is \$15.9 billion, so the shortfall amounts to \$6.5 billion.

Note that not all of this loss in 2008 is currently recognized in the actuarial value of assets. The actuarial value of assets is based on a five-year smoothing period (recognizing 20% of the difference between the actual and expected market returns each year), subject to the requirement that the actuarial value can never exceed 125% of the market value, or be less than 75% of the market value. This corridor restricts the actuarial value of assets in this year's valuation to 125% of the market value of assets. As more of the 2008 is recognized over the next four

years, we expect the funded ratio to slide further, absent a recovery or other changes in the plan.

The increase in the employer contribution rates shown herein are primarily due to the 2008 investment results.

### **Benefit provisions**

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2009, or which were adopted by the end of the 2009 legislative session and are effective on or before July 1, 2010, except as discussed in the following paragraphs.

SB19 was passed during the 2008 legislative session. This law opened a window to allow employers of the Public Safety Retirement Systems to adopt a 4% maximum COLA in lieu of the current 2.5% maximum COLA. However, adoption of the 4% maximum COLA is mandatory for the State of Utah. This window was originally scheduled to close in December 2009, but was extended by 2009 legislation until December 2012. For those employers making the election during calendar year 2009, including the State of Utah, the 4% maximum COLA is effective January 1, 2009. For employers making the election in calendar year 2009 or later, the 4% maximum COLA will be effective at the following January 1st. This legislation was reflected in the valuation only for those units that made the election by December 31, 2008, including the State of Utah. Supplemental information will be provided to URS so that URS can adjust the contribution rates for employers electing the 4% COLA during 2009 or later.

HB21 was enacted by the 2007 legislature. This bill created a window allowing members and employers of the Public Safety Contributory Retirement System to transfer to the Public Safety Noncontributory Retirement System. All transfers are now reflected in this valuation. As a result, a significant portion of the membership in the Public Safety Contributory Retirement System transferred to the noncontributory system during 2007 or 2008. The active membership of the Public Safety Contributory Retirement System decreased from 693 at Jan. 1, 2007 to 188 as of this valuation. All of the members of the Provo public safety fund transferred to the noncontributory fund in 2008.

No other legislation has been enacted since the last valuation that materially affects the benefits or contribution of URS.

**Gabriel Roeder Smith & Company**

## Actuary's Certification Letter (Continued)

**Assumptions and methods**

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

As noted above, there were two changes in actuarial methods since the prior valuation. The funding period for the UAAL was increased from 20 years to 25 years. Also, the corridor used to calculate the actuarial value of assets was widened from a span of 80% to 120% of the market value of assets to a span of 75% to 125% of the market value. Expanding the corridor decreased the UAAL, while the extension of the funding period lowered the amortization payment on the new UAAL. Otherwise, the current actuarial assumptions and methods are the same as used for the prior valuation. Except as noted above, the assumptions and methods were adopted effective January 1, 2008. The assumptions adopted were ones recommended by the actuary. The next experience analysis is scheduled for 2011.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods.

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

Sincerely,

Gabriel Roeder Smith & Company



Lewis Ward  
Consultant

**Data**

Member data for retired, active and inactive members was supplied as of December 31, 2008 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, 2008.

**Certification**

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2009. 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. Conradi is an Enrolled Actuary and Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries. Both are experienced in performing valuations for large public retirement systems.



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

**Gabriel Roeder Smith & Company**



# Summary of Actuarial Assumptions and Methods

As of January 1, 2009

- 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 25-year period from the valuation date (January 1, 2009).

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 25-year period

- b) The future investment earnings of the assets of the Systems are assumed to accrue at an annual rate of 7.75%, compounded annually. This rate is made up of a 3.0% assumed inflation rate and a 4.75% assumed real rate of return. This assumption was adopted January 1, 2008.
- c) The total rates of assumed annual salary increase are shown on the actuarial schedule on page 120. The rates include increases due to promotion and longevity and a 4.00% per annum rate of increase in the general wage level of the membership. Salaries of judges are assumed to increase at 4.00%. Except for judges, these assumptions were adopted January 1, 2008. (Rates for judges were adopted January 1, 2005.)
- d) Post retirement benefit increases are based on the Consumer Price Index, limited by the provisions of each System. For members of the Public Safety Retirement System, annual increases are assumed to be 2.5% or 3.0%. 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. For current retirees who have received cumulative COLAs less than the total of annual CPI increases since retirement, higher COLAs are assumed, subject to the annual maximum (2.5% or 4% for Public Safety and 4% for all other Systems), as long as the member has "banked" CPI increases left.
- e) Except for educators, 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 on the next page. Most of these rates were adopted January 1, 2008. Rates for female educators were adopted January 1, 2005. Mortality rates for active members and retired educators 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 and females are multiplied by 85%. These rates were modified January 1, 2008.
- 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.

## Retired Member Mortality

Class of Member

### Educators

|       |           |
|-------|-----------|
| Men   | .....EDUM |
| Women | .....EDUF |

### Public Safety and Firefighters

|       |                     |
|-------|---------------------|
| Men   | .....RP 2000M (80%) |
| Women | .....RP 2000F (85%) |

### Local Government, Public Employees and All Beneficiaries

|       |                     |
|-------|---------------------|
| Men   | .....RP 2000M (80%) |
| Women | .....RP 2000F (85%) |

EDUM = Constructed mortality table based on actual experience of male educators

EDUF = Constructed mortality table based on actual experience of female educators

RP 2000M = RP 2000 Combined mortality table for males multiplied by 80%

RP 2000F = RP 2000 Combined mortality table for females multiplied by 85%

Except for firefighters, 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. Rates for firefighters vary only by years of service and not by age. All rates have been shown for the firefighters. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately. Vested members are assumed to withdraw their contributions and forfeit the right to further benefits at the rates illustrated.

- h) The Retirement Board uses the expected rate of return method for calculating the actuarial value of assets. This method is based on the total earnings of the commingled investments and spreads the excess/shortfall of actual investment returns over or under the expected return over five years. One-fifth of the excess/ shortfall is recognized each year. The actuarial values of assets under this method were calculated and reported to us by the Systems' staff.
- i) All of the actuarial assumptions were renewed or adopted by the Retirement Board in 2008, as recommended by the actuary.

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 2009

|  | Retirement Age | Percent Retiring Within Next Year Among Active Members Eligible for Retirement |                  |                           |                           |                  |                           | Governors and Legislators Retirement Plan |
|--|----------------|--|------------------|---------------------------|---------------------------|------------------|---------------------------|---|
|  |                | Male   |                  |                           | Female                    |                  |                           |   |
|  |                | State and School Division  |                  | Local Government Division | State and School Division |                  | Local Government Division |   |
|  |                | Educators  | Public Employees |                           | Educators                 | Public Employees |                           |   |
| <b>Noncontributory and Contributory Retirement Systems</b> | 55             | 25.00%   | 18.00%           | 22.00%                    | 30.00%                    | 20.00%           | 35.00%                    | 0.00%                                     |
|  | 56             | 25.00  | 18.00            | 22.00                     | 30.00                     | 20.00            | 35.00                     | 0.00                                      |
|  | 57             | 25.00  | 18.00            | 22.00                     | 30.00                     | 20.00            | 35.00                     | 0.00                                      |
| Adopted January 1, 2005                                    | 58             | 25.00  | 18.00            | 22.00                     | 30.00                     | 20.00            | 35.00                     | 0.00                                      |
|  | 59             | 25.00  | 18.00            | 22.00                     | 30.00                     | 20.00            | 35.00                     | 0.00                                      |
|  | 60             | 35.00  | 23.00            | 25.00                     | 50.00                     | 40.00            | 40.00                     | 0.00                                      |
|  | 61             | 35.00  | 23.00            | 15.00                     | 50.00                     | 30.00            | 25.00                     | 0.00                                      |
|  | 62             | 65.00  | 40.00            | 50.00                     | 70.00                     | 60.00            | 45.00                     | 100.00                                    |
|  | 63             | 35.00  | 35.00            | 30.00                     | 50.00                     | 40.00            | 30.00                     | 100.00                                    |
|  | 64             | 35.00  | 30.00            | 30.00                     | 50.00                     | 30.00            | 30.00                     | 100.00                                    |
|  | 65             | 70.00  | 50.00            | 50.00                     | 60.00                     | 45.00            | 50.00                     | 100.00                                    |
|  | 66             | 30.00  | 35.00            | 30.00                     | 35.00                     | 25.00            | 30.00                     | 100.00                                    |
|  | 67             | 30.00  | 20.00            | 30.00                     | 35.00                     | 25.00            | 30.00                     | 100.00                                    |
|  | 68             | 30.00  | 20.00            | 30.00                     | 35.00                     | 25.00            | 30.00                     | 100.00                                    |
|  | 69             | 30.00  | 20.00            | 30.00                     | 35.00                     | 25.00            | 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 | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age |
| <b>Public Safety Retirement System</b> | 45   | 30.00%         | 51             | 33.00%         | 56             | 35.00%         | 61             | 38.00%         |
|  | 46   | 30.00          | 52             | 33.00          | 57             | 35.00          | 62             | 38.00          |
| Adopted January 1, 2005                | 47   | 30.00          | 53             | 33.00          | 58             | 35.00          | 63             | 38.00          |
|  | 48   | 30.00          | 54             | 33.00          | 59             | 35.00          | 64             | 38.00          |
|  | 49   | 30.00          | 55             | 35.00          | 60             | 38.00          | 65             | 100.00         |
|  | 50   | 33.00          |                |                |                |                |                |                |

|                                       | Percent Retiring Within Next Year Among Active Members Eligible for Retirement |                |                |                |                |                |                |                |
|---------------------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                       | Retirement Age   | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age |
| <b>Firefighters Retirement System</b> | 45   | 14.00%         | 51             | 16.00%         | 56             | 18.00%         | 61             | 24.00%         |
|                                       | 46   | 14.00          | 52             | 16.00          | 57             | 18.00          | 62             | 24.00          |
| Adopted January 1, 2005               | 47   | 14.00          | 53             | 16.00          | 58             | 18.00          | 63             | 24.00          |
|                                       | 48   | 14.00          | 54             | 16.00          | 59             | 18.00          | 64             | 24.00          |
|                                       | 49   | 14.00          | 55             | 18.00          | 60             | 24.00          | 65             | 100.00         |
|                                       | 50   | 16.00          |                |                |                |                |                |                |

|                                 | Percent Retiring Within Next Year Among Active Members Eligible for Retirement |                |                |                |                |                |                |                |
|---------------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                 | Retirement Age   | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age | Retirement Age |
| <b>Judges Retirement System</b> | 60   | 25.00%         | 63             | 25.00%         | 66             | 25.00%         | 69             | 25.00%         |
|                                 | 61   | 25.00          | 64             | 25.00          | 67             | 25.00          | 70             | 100.00         |
| Adopted January 1, 2008         | 62   | 25.00          | 65             | 25.00          | 66             | 25.00          |                |                |

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 2009

| Other Termination of Employment Percent of Active Members Separating Within Next Year |                           |                  |                           |                           |                  |                           |   |        |
|---|---------------------------|------------------|---------------------------|---------------------------|------------------|---------------------------|---|--------|
| Age   | Male                      |                  |                           | Female                    |                  |                           | Governors and Legislators Retirement Plan |        |
|   | State and School Division |                  | Local Government Division | State and School Division |                  | Local Government Division |   |        |
|   | Educators                 | Public Employees |                           | Educators                 | Public Employees |                           |   |        |
| <b>During the First Year of Service</b>   |                           |                  |                           |                           |                  |                           |   |        |
| <b>Noncontributory and Contributory Retirement Systems</b>                            | 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  |
| Adopted January 1, 2000   | 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  |
| <b>During the Sixth and Subsequent Years of Service</b>                               |                           |                  |                           |                           |                  |                           |   |        |
| <b>Noncontributory and Contributory Retirement Systems</b>                            | 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  |
| Adopted January 1, 2000   | 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  |
| <b>Public Safety Retirement System</b>  |                           |                  |                           |                           |                  |                           |   |        |
|   | 25                        | 10.76%           |                           | 6.93%                     |                  |                           |   |        |
|   | 30                        | 10.26            |                           | 4.69                      |                  |                           |   |        |
| Adopted January 1, 2008   | 35                        | 11.28            |                           | 3.08                      |                  |                           |   |        |
|   | 40                        | 13.70            |                           | 2.05                      |                  |                           |   |        |
|   | 45                        | 17.35            |                           | 1.52                      |                  |                           |   |        |
|   | 50                        | 22.06            |                           | 1.30                      |                  |                           |   |        |
|   | 55                        | 27.64            |                           | 1.29                      |                  |                           |   |        |
|   | 60                        | 33.99            |                           | 1.40                      |                  |                           |   |        |
| <b>Firefighters Retirement System</b>   |                           |                  |                           |                           |                  |                           |   |        |
|   |                           | Years of Service |                           | Years of Service          |                  | Years of Service          |   |        |
|   | 0                         | 9.00%            | 7                         | 1.50%                     | 9                | 1.50%                     |   |        |
|   | 1                         | 2.50             | 8                         | 1.50                      | 10               | 1.50                      |   |        |
| Adopted January 1, 2008   | 2                         | 2.50             | 9                         | 1.50                      | 11               | 1.50                      |   |        |
|   | 3                         | 2.50             | 10                        | 1.50                      | 12+              | 0.00                      |   |        |
|   | 4                         | 2.50             |                           |                           |                  |                           |   |        |
| <b>Judges Retirement System</b>   |                           |                  |                           |                           |                  |                           |   |        |
|   |                           | None assumed.    |                           |                           |                  |                           |   |        |

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 2009

|                               |                           | Total Annual Increase in Salary<br>(Male and Female) |                           |                                 |                                |        |
|-------------------------------|---------------------------|--|---------------------------|---------------------------------|--------------------------------|--------|
| Years of Service              | State and School Division |  | Local Government Division | Public Safety Retirement System | Firefighters Retirement System |        |
|                               | Educators                 | Public Employees                                     |                           |                                 |                                |        |
| <b>All Retirement Systems</b> | 0                         | 12.00%   | 9.50%                     | 10.75%                          | 9.75%                          | 10.25% |
| Adopted January 1, 2008       | 1                         | 10.25  | 8.75                      | 9.00                            | 8.00                           | 9.75   |
|                               | 2                         | 9.00   | 7.50                      | 8.25                            | 7.75                           | 9.50   |
|                               | 3                         | 8.75   | 7.00                      | 7.50                            | 7.25                           | 9.25   |
|                               | 4                         | 8.50   | 6.50                      | 7.00                            | 7.00                           | 9.00   |
|                               | 5                         | 8.00   | 6.25                      | 6.75                            | 6.75                           | 8.75   |
|                               | 6                         | 7.75   | 6.00                      | 6.50                            | 6.75                           | 8.50   |
|                               | 7                         | 7.50   | 5.75                      | 6.25                            | 6.75                           | 8.25   |
|                               | 8                         | 7.25   | 5.50                      | 6.00                            | 6.50                           | 8.00   |
|                               | 9                         | 7.00   | 5.50                      | 5.75                            | 6.50                           | 7.50   |
|                               | 10                        | 6.50   | 5.25                      | 5.50                            | 6.25                           | 7.00   |
|                               | 11                        | 6.00   | 5.00                      | 5.50                            | 6.00                           | 6.50   |
|                               | 12                        | 5.75   | 5.00                      | 5.25                            | 5.75                           | 6.25   |
|                               | 13                        | 5.25   | 5.00                      | 5.25                            | 5.50                           | 6.00   |
|                               | 14                        | 5.00   | 4.75                      | 5.00                            | 5.25                           | 5.75   |
|                               | 15                        | 4.75   | 4.75                      | 5.00                            | 5.25                           | 5.75   |
|                               | 16                        | 4.75   | 4.75                      | 4.75                            | 5.00                           | 5.50   |
|                               | 17                        | 4.75   | 4.50                      | 4.75                            | 5.00                           | 5.50   |
|                               | 18                        | 4.75   | 4.50                      | 4.75                            | 5.00                           | 5.25   |
|                               | 19                        | 4.50   | 4.50                      | 4.75                            | 5.00                           | 5.00   |
|                               | 20                        | 4.50   | 4.25                      | 4.50                            | 5.00                           | 4.75   |
|                               | 21                        | 4.50   | 4.25                      | 4.50                            | 4.75                           | 4.75   |
|                               | 22                        | 4.50   | 4.25                      | 4.25                            | 4.50                           | 4.50   |
|                               | 23                        | 4.50   | 4.25                      | 4.25                            | 4.50                           | 4.00   |
|                               | 24                        | 4.25   | 4.25                      | 4.25                            | 4.25                           | 4.00   |
|                               | 25+                       | 4.00   | 4.00                      | 4.00                            | 4.00                           | 4.00   |

|  |    | Probability Mortality Within the Next Year for Active Members |                                       |           |                                       |
|--|----|---|---------------------------------------|-----------|---------------------------------------|
| Age  |    | Male  |                                       | Female    |                                       |
|  |    | Educators   | Local Government and Public Employees | Educators | Local Government and Public Employees |
| <b>Noncontributory and Contributory Retirement Systems</b> | 20 | 0.0130%   | 0.0495%                               | 0.0490%   | 0.0275%                               |
| Adopted January 1, 2008                                    | 25 | 0.0130  | 0.0385                                | 0.0210    | 0.0275                                |
|  | 30 | 0.0195  | 0.0440                                | 0.0070    | 0.0275                                |
|  | 35 | 0.0195  | 0.0660                                | 0.0210    | 0.0330                                |
|  | 40 | 0.0390  | 0.0825                                | 0.0420    | 0.0440                                |
|  | 45 | 0.0650  | 0.1045                                | 0.0840    | 0.0660                                |
|  | 50 | 0.1300  | 0.1540                                | 0.1260    | 0.1045                                |
|  | 55 | 0.2340  | 0.2585                                | 0.1750    | 0.1540                                |
|  | 60 | 0.3705  | 0.4180                                | 0.2380    | 0.2200                                |
|  | 65 | 0.4680  | 0.6380                                | 0.3290    | 0.3025                                |
|  | 70 | 0.5200  | 0.9130                                | 0.4550    | 0.4015                                |

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 2009

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

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

Adopted January 1, 2008

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

Adopted January 1, 1993

Analysis of Financial Experience

December 31, 2009

(in thousands)

| System                                | December 31, 2009                                    |                       |             |                        |                                  |                              |                 | January 1, 2009                      |
|---------------------------------------|--|-----------------------|-------------|------------------------|----------------------------------|------------------------------|-----------------|--------------------------------------|
|                                       | January 1, 2008 Unfunded Actuarial Accrued Liability | Amortization Payments | (Gain) Loss | Liability Asset (Gain) | Changes in Actuarial Assumptions | Change in Benefit Provisions | Asset Transfers | Unfunded Actuarial Accrued Liability |
| <b>Noncontributory</b>                | \$ 826,108   | (60,414)              | 219,532     | 2,063,160              | (635,718)                        | 961                          | 53,500          | 2,467,129                            |
| <b>Contributory</b>                   | 68,144   | (2,337)               | 11,792      | 138,530                | (41,768)                         | —                            | (53,500)        | 120,861                              |
| <b>Public Safety Firefighters</b>     | 209,213  | (3,088)               | 28,076      | 260,043                | (80,545)                         | 46,320                       | —               | 460,019                              |
| <b>Judges</b>                         | (54,834)   | 1,192                 | (4,357)     | 99,386                 | (30,636)                         | —                            | —               | 10,751                               |
| <b>Utah Governors and Legislators</b> | 5,532  | 114                   | 2,857       | 16,387                 | (5,045)                          | —                            | —               | 19,845                               |
|                                       | (1,874)  | (2)                   | 997         | 1,454                  | (434)                            | —                            | —               | 141                                  |

# Member and Employer Contribution Rates

As of December 31, 2009

| System  | Year  | Contributory |                                   |                                      | Noncontributory                          |   |
|---|-------|--------------|-----------------------------------|--------------------------------------|--|---|
|   |       | Member       | Employer                          | Employer                             | Employer                                 | Employer                                |
| <b>Noncontributory and Contributory Retirement System</b> |       |              | State and School                  | Local Government                     | State and School                         | Local Government                        |
|   | 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                                   |
|   | 2005  | 6.00         | 8.89                              | 7.08                                 | 13.38                                    | 11.09                                   |
|   | 2006  | 6.00         | 9.73                              | 7.58                                 | 14.22                                    | 11.59                                   |
|   | 2007  | 6.00         | 9.73                              | 7.61                                 | 14.22                                    | 11.62                                   |
|   | 2008  | 6.00         | 9.73                              | 7.61                                 | 14.22                                    | 11.62                                   |
| 2009  | 6.00  | 9.73         | 7.65                              | 14.22                                | 11.66                                    |   |
| <b>Firefighters Retirement System</b>                     |       |              | Division A (with Social Security) | Division B (without Social Security) | All Divisions Fire Insurance Premium Tax |   |
|   |       | Member       | Employer                          | Member                               | Employer                                 |   |
|   | 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                                   |
|   | 2005  | 8.61         | —                                 | 7.83                                 | —  | 12.16                                   |
|   | 2006  | 10.84        | —                                 | 8.72                                 | —  | 12.08                                   |
|   | 2007  | 12.76        | —                                 | 9.30                                 | —  | 11.50                                   |
| 2008  | 13.14 | —            | 9.68                              | —                                    | 11.12                                    |   |
| 2009  | 13.49 | —            | 9.68                              | —                                    | 12.34                                    |   |
| <b>Judges Retirement System</b>                           |       |              | Contributory                      | Noncontributory                      | Judges                                   | Governors and Legislative Appropriation |
|   |       | Member       | Employer                          | Employer                             | Court Fees                               |   |
|   | 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                                    | —                                       |
|   | 2005  | 2.00         | 6.26                              | 8.26                                 | 19.19                                    | —                                       |
|   | 2006  | 2.00         | 7.79                              | 9.79                                 | 18.04                                    | —                                       |
|   | 2007  | 2.00         | 10.38                             | 12.38                                | 15.45                                    | —                                       |
| 2008  | 2.00  | 11.51        | 13.51                             | 14.32                                | —  |   |
| 2009  | 2.00  | 15.09        | 17.09                             | 13.83                                | —  |   |

Member and Employer Contribution Rates (Continued)

As of December 31, 2009

| System  | Year | State of Utah  |          | 2.5% COLA<br>Other Division A<br>(with Social Security) |          | 4.0% COLA<br>Other Division A<br>(with Social Security) |          | Bountiful |          |  |          |  |          |
|---|------|----------------|----------|---|----------|---|----------|-----------|----------|--|----------|--|----------|
|   |      | Member         | Employer | Member  | Employer | Member  | Employer | Member    | Employer |  |          |  |          |
| <b>Public Safety Retirement System Noncontributory Division A</b> | 2000 | —              | 24.98%   | —   | 17.40%   | —   | —        | —         | 23.18%   |  |          |  |          |
|   | 2001 | —              | 23.62    | —   | 14.08    | —   | —        | —         | 19.03    |  |          |  |          |
|   | 2002 | —              | 19.68    | —   | 13.89    | —   | —        | —         | 17.41    |  |          |  |          |
|   | 2003 | —              | 18.94    | —   | 16.24    | —   | —        | —         | 18.63    |  |          |  |          |
|   | 2004 | —              | 21.15    | —   | 19.08    | —   | —        | —         | 19.68    |  |          |  |          |
|   | 2005 | —              | 23.46    | —   | 19.34    | —   | —        | —         | 19.68    |  |          |  |          |
|   | 2006 | —              | 23.46    | —   | 22.38    | —   | —        | —         | 19.99    |  |          |  |          |
|   | 2007 | —              | 26.75    | —   | 22.61    | —   | —        | —         | 22.47    |  |          |  |          |
|   | 2008 | —              | 26.75    | —   | 22.61    | —   | —        | —         | 22.47    |  |          |  |          |
|   | 2009 | —              | 30.18    | —   | 23.34    | —   | 25.90%   | —         | 23.07    |  |          |  |          |
| <b>Public Safety Retirement System Contributory Division A</b>    | 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     | —   | —        | —         | —        |  |          |  |          |
|   | 2005 | 12.29          | 12.50    | 12.29   | 7.95     | —   | —        | —         | —        |  |          |  |          |
|   | 2006 | 12.29          | 15.46    | 12.29   | 11.01    | —   | —        | —         | —        |  |          |  |          |
|   | 2007 | 12.29          | 15.46    | 12.29   | 11.22    | —   | —        | —         | —        |  |          |  |          |
|   | 2008 | 12.29          | 15.46    | 12.29   | 11.22    | —   | —        | —         | —        |  |          |  |          |
|   | 2009 | 12.29          | 19.01    | 12.29   | 12.47    | 12.29%  | 15.01%   | —         | —        |  |          |  |          |
|   |      |                |          |   |          |   |          |           |          |  |          |  |          |
| System  | Year | Salt Lake City |          | Ogden   |          | Logan   |          | Provo     |          | 2.5% COLA<br>Other Division B<br>(without Soc Sec) |          | 4.0% COLA<br>Other Division B<br>(without Soc Sec) |          |
|   |      | Member         | Employer | Member  | Employer | Member  | Employer | Member    | Employer | Member   | Employer | Member   | Employer |
| <b>Public Safety Retirement System Noncontributory Division B</b> | 2000 | —              | 34.73%   | —   | 25.80%   | —   | —        | —         | —        | —  | 19.01%   | —  | —        |
|   | 2001 | —              | 30.72    | —   | 24.47    | —   | —        | —         | —        | —  | 16.75    | —  | —        |
|   | 2002 | —              | 28.27    | —   | 21.06    | —   | 14.79%   | —         | —        | —  | 17.66    | —  | —        |
|   | 2003 | —              | 30.05    | —   | 17.98    | —   | 17.10    | —         | —        | —  | 19.42    | —  | —        |
|   | 2004 | —              | 32.52    | —   | 20.85    | —   | 20.77    | —         | —        | —  | 22.17    | —  | —        |
|   | 2005 | —              | 32.52    | —   | 24.30    | —   | 21.25    | —         | —        | —  | 22.32    | —  | —        |
|   | 2006 | —              | 35.71    | —   | 24.30    | —   | 25.48    | —         | —        | —  | 25.49    | —  | —        |
|   | 2007 | —              | 35.71    | —   | 30.44    | —   | 25.48    | —         | —        | —  | 25.49    | —  | —        |
|   | 2008 | —              | 35.71    | —   | 31.47    | —   | 25.48    | —         | 29.84%   | —  | 25.49    | —  | —        |
|   | 2009 | —              | 35.71    | —   | 33.11    | —   | 27.74    | —         | 30.91    | —  | 26.21    | —  | 28.73%   |
| <b>Public Safety Retirement System Contributory Division B</b>    | 2000 | 13.74%         | 22.56%   | 13.18%  | 12.23%   | 11.13%  | 6.96%    | 13.54%    | 12.58%   | 10.50%   | 8.92%    | 10.50%   | —        |
|   | 2001 | 13.74          | 18.21    | 13.18   | 9.08     | 11.13   | 2.93     | 13.54     | 9.72     | 10.50  | 6.43     | 10.50  | —        |
|   | 2002 | 13.74          | 15.50    | —   | —        | 11.13   | 3.66     | 13.54     | 9.47     | 10.50  | 7.34     | 10.50  | —        |
|   | 2003 | 13.74          | 17.61    | —   | —        | 11.13   | 5.97     | 13.54     | 10.85    | 10.50  | 9.47     | 10.50  | —        |
|   | 2004 | 13.74          | 19.96    | —   | —        | 11.13   | 10.03    | 13.54     | 12.22    | 10.50  | 12.35    | 10.50  | —        |
|   | 2005 | 13.74          | 19.96    | —   | —        | 11.13   | 10.54    | 13.54     | 12.22    | 10.50  | 12.47    | 10.50  | —        |
|   | 2006 | 13.74          | 22.99    | —   | —        | 11.13   | 14.61    | 13.54     | 15.57    | 10.50  | 15.69    | 10.50  | —        |
|   | 2007 | 13.74          | 22.99    | —   | —        | 11.13   | 14.61    | 13.54     | 16.30    | 10.50  | 15.69    | 10.50  | —        |
|   | 2008 | 13.74          | 22.99    | —   | —        | 11.13   | 14.61    | —         | —        | 10.50  | 15.69    | 10.50  | —        |
|   | 2009 | —              | —        | —   | —        | 11.13   | 17.81    | —         | —        | 10.50  | 16.67    | 10.50  | 19.17%   |

# Solvency Tests

| System  | Date     | Actuarial Accrued Liabilities       |                                  |   |  | Actuarial Value of Assets |
|---|----------|-------------------------------------|----------------------------------|---|--|---------------------------|
|   |          | (1)<br>Active Members Contributions | (2)<br>Retired and Beneficiaries | (3) Active Member (Employer Financed Portion) | (4)<br>Total Actuarial Accrued Liabilities |                           |
| <b>Noncontributory Retirement System</b>              | 1/01/01  | \$ 962,724                          | 3,404,486                        | 5,566,304                                     | 9,933,514                                  | 10,361,333                |
|   | 1/01/02  | 971,496                             | 3,751,586                        | 6,082,942                                     | 10,806,024                                 | 11,104,334                |
|   | 1/01/03  | 955,624                             | 4,171,062                        | 6,637,667                                     | 11,764,353                                 | 10,848,586                |
|   | 1/01/04  | 878,125                             | 4,587,481                        | 6,885,704                                     | 12,351,310                                 | 11,657,525                |
|   | 1/01/05  | 850,926                             | 5,051,930                        | 7,332,588                                     | 13,235,444                                 | 12,212,437                |
|   | 1/01/06  | 822,236                             | 5,504,555                        | 7,691,749                                     | 14,018,540                                 | 13,069,362                |
|   | 1/01/07  | 756,008                             | 6,285,751                        | 8,042,295                                     | 15,084,061                                 | 14,446,928                |
|   | 1/01/08  | 728,986                             | 7,020,899                        | 9,275,300                                     | 17,025,185                                 | 16,199,077                |
|   | 1/01/09  | 699,314                             | 7,671,008                        | 9,936,268                                     | 18,306,590                                 | 15,839,461                |
|   | 12/31/09 | 621,597                             | 8,559,430                        | 10,248,707                                    | 19,429,734                                 | 16,622,548                |
| <b>Contributory Retirement System</b>                 | 1/01/01  | \$ 247,491                          | 447,521                          | 240,787                                       | 935,799                                    | 924,573                   |
|   | 1/01/02  | 267,963                             | 425,956                          | 254,993                                       | 948,912                                    | 927,523                   |
|   | 1/01/03  | 285,260                             | 416,552                          | 275,106                                       | 976,918                                    | 899,290                   |
|   | 1/01/04  | 283,694                             | 409,430                          | 289,445                                       | 982,569                                    | 913,949                   |
|   | 1/01/05  | 296,155                             | 407,905                          | 309,776                                       | 1,013,836                                  | 933,974                   |
|   | 1/01/06  | 307,907                             | 408,420                          | 310,982                                       | 1,027,309                                  | 951,540                   |
|   | 1/01/07  | 316,492                             | 436,812                          | 309,663                                       | 1,062,967                                  | 1,004,452                 |
|   | 1/01/08  | 324,856                             | 468,966                          | 376,429                                       | 1,170,251                                  | 1,102,107                 |
|   | 1/01/09  | 334,732                             | 520,848                          | 362,992                                       | 1,218,572                                  | 1,097,711                 |
|   | 12/31/09 | 319,887                             | 558,592                          | 356,416                                       | 1,234,895                                  | 1,114,019                 |
| <b>Public Safety Retirement System</b>                | 1/01/01  | \$ 85,774                           | 540,074                          | 581,028                                       | 1,206,876                                  | 1,286,996                 |
|   | 1/01/02  | 85,106                              | 610,272                          | 670,756                                       | 1,366,134                                  | 1,376,466                 |
|   | 1/01/03  | 84,479                              | 669,736                          | 704,276                                       | 1,458,491                                  | 1,349,435                 |
|   | 1/01/04  | 81,121                              | 742,358                          | 733,279                                       | 1,556,758                                  | 1,448,888                 |
|   | 1/01/05  | 94,259                              | 827,157                          | 805,369                                       | 1,726,785                                  | 1,524,904                 |
|   | 1/01/06  | 91,737                              | 921,115                          | 821,600                                       | 1,834,452                                  | 1,633,022                 |
|   | 1/01/07  | 90,849                              | 1,006,399                        | 871,734                                       | 1,968,982                                  | 1,809,198                 |
|   | 1/01/08  | 90,962                              | 1,076,782                        | 1,080,132                                     | 2,247,876                                  | 2,038,613                 |
|   | 1/01/09  | 87,976                              | 1,254,909                        | 1,130,782                                     | 2,473,667                                  | 2,017,576                 |
|   | 12/31/09 | 82,498                              | 1,331,095                        | 1,230,477                                     | 2,644,070                                  | 2,137,027                 |
| <b>Firefighters Retirement System</b>                 | 1/01/01  | \$ 73,003                           | 240,403                          | 142,050                                       | 455,456                                    | 536,503                   |
|   | 1/01/02  | 76,510                              | 257,301                          | 157,463                                       | 491,274                                    | 569,151                   |
|   | 1/01/03  | 78,253                              | 270,842                          | 172,069                                       | 521,164                                    | 553,589                   |
|   | 1/01/04  | 79,177                              | 289,194                          | 181,007                                       | 549,378                                    | 589,502                   |
|   | 1/01/05  | 81,754                              | 306,927                          | 190,210                                       | 578,891                                    | 610,688                   |
|   | 1/01/06  | 82,292                              | 329,322                          | 202,745                                       | 614,359                                    | 644,496                   |
|   | 1/01/07  | 84,670                              | 355,518                          | 203,577                                       | 643,765                                    | 705,051                   |
|   | 1/01/08  | 86,624                              | 389,586                          | 256,619                                       | 732,829                                    | 787,663                   |
|   | 1/01/09  | 91,583                              | 437,796                          | 247,243                                       | 776,622                                    | 765,871                   |
|   | 12/31/09 | 97,397                              | 464,082                          | 263,675                                       | 825,154                                    | 802,576                   |
| <b>Judges Retirement System</b>                       | 1/01/01  | \$ 8,025                            | 38,603                           | 27,334  | 73,962                                     | 87,139                    |
|   | 1/01/02  | 8,355                               | 40,022                           | 37,610  | 85,987                                     | 92,649                    |
|   | 1/01/03  | 8,639                               | 40,800                           | 41,134  | 90,573                                     | 90,904                    |
|   | 1/01/04  | 7,873                               | 47,713                           | 42,316  | 97,902                                     | 97,412                    |
|   | 1/01/05  | 8,058                               | 48,904                           | 47,248  | 104,210                                    | 100,814                   |
|   | 1/01/06  | 7,893                               | 51,524                           | 47,545  | 106,962                                    | 106,374                   |
|   | 1/01/07  | 8,209                               | 56,363                           | 52,555  | 117,127                                    | 116,879                   |
|   | 1/01/08  | 7,342                               | 62,724                           | 65,313  | 135,379                                    | 129,847                   |
|   | 1/01/09  | 7,738                               | 69,534                           | 68,693  | 145,965                                    | 126,120                   |
|   | 12/31/09 | 5,802                               | 81,157                           | 67,344  | 154,303                                    | 131,491                   |
| <b>Utah Governors and Legislators Retirement Plan</b> | 1/01/01  | \$ 204                              | 5,081                            | 2,623   | 7,908                                      | 11,569                    |
|   | 1/01/02  | 203                                 | 5,079                            | 2,900   | 8,182                                      | 11,710                    |
|   | 1/01/03  | 187                                 | 5,212                            | 3,307   | 8,706                                      | 10,719                    |
|   | 1/01/04  | 178                                 | 5,044                            | 3,590   | 8,812                                      | 10,905                    |
|   | 1/01/05  | 169                                 | 4,989                            | 3,569   | 8,727                                      | 10,650                    |
|   | 1/01/06  | 147                                 | 5,268                            | 3,559   | 8,974                                      | 10,587                    |
|   | 1/01/07  | 159                                 | 5,142                            | 3,911   | 9,212                                      | 10,983                    |
|   | 1/01/08  | 145                                 | 5,123                            | 4,594   | 9,862                                      | 11,736                    |
|   | 1/01/09  | 119                                 | 6,508                            | 4,355   | 10,982                                     | 10,841                    |
|   | 12/31/09 | 120                                 | 6,442                            | 4,465   | 11,027                                     | 10,769                    |



Portion of Actuarial Accrued Liabilities Covered by Assets

| (1)  | (2)  | (3)  | (4)  |
|------|------|------|------|
| 100% | 100% | 100% | 104% |
| 100  | 100  | 100  | 103  |
| 100  | 100  | 86   | 92   |
| 100  | 100  | 90   | 94   |
| 100  | 100  | 86   | 92   |
| 100  | 100  | 88   | 93   |
| 100  | 100  | 92   | 96   |
| 100  | 100  | 91   | 95   |
| 100  | 100  | 75   | 87   |
| 100  | 100  | 73   | 86   |
| 100% | 100% | 95%  | 99%  |
| 100  | 100  | 92   | 98   |
| 100  | 100  | 72   | 92   |
| 100  | 100  | 76   | 93   |
| 100  | 100  | 74   | 92   |
| 100  | 100  | 76   | 93   |
| 100  | 100  | 81   | 94   |
| 100  | 100  | 82   | 94   |
| 100  | 100  | 67   | 90   |
| 100  | 100  | 66   | 90   |
| 100% | 100% | 100% | 107% |
| 100  | 100  | 100  | 101  |
| 100  | 100  | 85   | 93   |
| 100  | 100  | 85   | 93   |
| 100  | 100  | 75   | 88   |
| 100  | 100  | 75   | 89   |
| 100  | 100  | 82   | 92   |
| 100  | 100  | 81   | 91   |
| 100  | 100  | 60   | 82   |
| 100  | 100  | 59   | 81   |
| 100% | 100% | 100% | 118% |
| 100  | 100  | 100  | 116  |
| 100  | 100  | 100  | 106  |
| 100  | 100  | 100  | 107  |
| 100  | 100  | 100  | 105  |
| 100  | 100  | 100  | 105  |
| 100  | 100  | 100  | 110  |
| 100  | 100  | 100  | 107  |
| 100  | 100  | 96   | 99   |
| 100  | 100  | 91   | 97   |
| 100% | 100% | 100% | 118% |
| 100  | 100  | 100  | 108  |
| 100  | 100  | 100  | 100  |
| 100  | 100  | 99   | 99   |
| 100  | 100  | 93   | 97   |
| 100  | 100  | 99   | 99   |
| 100  | 100  | 100  | 100  |
| 100  | 100  | 92   | 96   |
| 100  | 100  | 71   | 86   |
| 100  | 100  | 66   | 85   |
| 100% | 100% | 100% | 146% |
| 100  | 100  | 100  | 143  |
| 100  | 100  | 100  | 123  |
| 100  | 100  | 100  | 124  |
| 100  | 100  | 100  | 122  |
| 100  | 100  | 100  | 118  |
| 100  | 100  | 100  | 119  |
| 100  | 100  | 100  | 119  |
| 100  | 100  | 97   | 99   |
| 100  | 100  | 92   | 98   |

## Schedules of Active Member Valuation Data

Year Ended December 31

| System  | Year | Number of Participating Employers | Active Members | Active Members  |             |                  | Inflation Increase (CPI) |
|---|------|-----------------------------------|----------------|-----------------|-------------|------------------|--------------------------|
|   |      |                                   |                | Annual Payroll  | Average Pay | Percent Increase |                          |
| <b>Noncontributory Retirement System</b>              | 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                     |
|   | 2005 | 401                               | 85,637         | 3,165,504,000   | 37,633      | 2.70             | 3.40                     |
|   | 2006 | 409                               | 87,219         | 3,326,392,000   | 37,786      | 0.41             | 2.50                     |
|   | 2007 | 411                               | 89,605         | 3,582,495,000   | 39,584      | 4.76             | 4.20                     |
|   | 2008 | 416                               | 93,576         | 3,871,636,000   | 40,531      | 2.39             | 0.10                     |
|   | 2009 | 416                               | 92,766         | 3,955,040,000   | 41,945      | 3.49             | 2.70                     |
| <b>Contributory Retirement System</b>                 | 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                     |
|   | 2005 | 161                               | 3,198          | 137,730,000     | 41,758      | 2.30             | 3.40                     |
|   | 2006 | 161                               | 3,010          | 133,812,000     | 43,005      | 2.99             | 2.50                     |
|   | 2007 | 160                               | 2,852          | 132,899,000     | 44,865      | 4.33             | 4.20                     |
|   | 2008 | 158                               | 2,743          | 133,110,000     | 46,830      | 4.38             | 0.10                     |
|   | 2009 | 160                               | 2,515          | 127,804,000     | 47,941      | 2.37             | 2.70                     |
| <b>Public Safety Retirement System</b>                | 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                     |
|   | 2005 | 120                               | 7,239          | 298,756,000     | 40,737      | 1.08             | 3.40                     |
|   | 2006 | 123                               | 7,474          | 316,662,000     | 42,356      | 3.98             | 2.50                     |
|   | 2007 | 126                               | 7,587          | 339,187,000     | 43,899      | 3.64             | 4.20                     |
|   | 2008 | 128                               | 7,894          | 365,043,000     | 45,964      | 4.70             | 0.10                     |
|   | 2009 | 130                               | 7,695          | 373,959,000     | 47,145      | 2.57             | 2.70                     |
| <b>Firefighters Retirement System</b>                 | 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                     |
|   | 2005 | 48                                | 1,636          | 84,061,000      | 50,471      | 1.22             | 3.40                     |
|   | 2006 | 52                                | 1,684          | 88,682,000      | 51,549      | 2.14             | 2.50                     |
|   | 2007 | 51                                | 1,771          | 95,767,000      | 52,247      | 1.36             | 4.20                     |
|   | 2008 | 52                                | 1,849          | 102,252,000     | 54,111      | 3.57             | 0.10                     |
|   | 2009 | 55                                | 1,907          | 107,625,000     | 54,466      | 0.66             | 2.70                     |
| <b>Judges Retirement System</b>                       | 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                     |
|   | 2005 | 1                                 | 108            | 11,594,000      | 110,539     | 3.08             | 3.40                     |
|   | 2006 | 1                                 | 106            | 12,195,000      | 112,350     | 1.64             | 2.50                     |
|   | 2007 | 1                                 | 108            | 13,322,000      | 120,184     | 6.97             | 4.20                     |
|   | 2008 | 1                                 | 106            | 14,404,000      | 128,706     | 7.09             | 0.10                     |
|   | 2009 | 1                                 | 104            | 14,434,000      | 131,742     | 2.36             | 2.70                     |
| <b>Utah Governors and Legislators Retirement Plan</b> | 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                     |
|   | 2005 | 1                                 | 88             | 887,000         | 8,955       | 65.83            | 3.40                     |
|   | 2006 | 1                                 | 96             | 860,000         | 7,649       | (14.58)          | 2.50                     |
|   | 2007 | 1                                 | 86             | 947,000         | 9,109       | 19.08            | 4.20                     |
|   | 2008 | 1                                 | 93             | 910,000         | 9,785       | 7.42             | 0.10                     |
|   | 2009 | 1                                 | 119            | 910,000         | 7,647       | (21.85)          | 2.70                     |

## Schedules of Retirants and Beneficiaries

Year Ended December 31

| System  | Year | Added to Rolls |             | Removed from Rolls |             | Rolls End of Year |               | % Increase in Annual Allowances | Average Annual Allowances |
|---|------|----------------|-------------|--------------------|-------------|-------------------|---------------|---------------------------------|---------------------------|
|   |      | Number         | Allowances* | Number             | Allowances* | Number            | Allowances    |                                 |                           |
| <b>Noncontributory Retirement System</b>              | 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                    |
|   | 2005 | 2,212          | —           | 276                | —           | 25,710            | 469,695,000   | 10.54                           | 17,731                    |
|   | 2006 | 2,728          | —           | 284                | —           | 28,154            | 533,248,000   | 13.53                           | 18,387                    |
|   | 2007 | 2,131          | 84,779,000  | 320                | 8,501,000   | 29,965            | 609,526,000   | 14.30                           | 19,138                    |
|   | 2008 | 2,082          | 75,142,000  | 316                | 24,876,000  | 31,731            | 659,792,000   | 8.25                            | 19,616                    |
|   | 2009 | 2,540          | 84,600,000  | 370                | 21,340,000  | 33,901            | 723,052,000   | 9.59                            | 20,039                    |
| <b>Contributory Retirement System</b>                 | 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                     |
|   | 2005 | 178            | —           | 521                | —           | 6,175             | 57,100,000    | 0.19                            | 8,799                     |
|   | 2006 | 187            | —           | 510                | —           | 5,852             | 58,546,000    | 2.53                            | 9,503                     |
|   | 2007 | 197            | 7,748,000   | 497                | 4,616,000   | 5,552             | 61,678,000    | 5.35                            | 10,287                    |
|   | 2008 | 151            | 6,547,000   | 464                | 6,129,000   | 5,239             | 62,096,000    | 0.68                            | 11,067                    |
|   | 2009 | 181            | 8,434,000   | 449                | 5,681,000   | 4,971             | 64,849,000    | 4.43                            | 11,961                    |
| <b>Public Safety Retirement System</b>                | 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                    |
|   | 2005 | 252            | —           | 31                 | —           | 3,268             | 74,041,000    | 11.63                           | 21,724                    |
|   | 2006 | 212            | —           | 31                 | —           | 3,449             | 82,499,000    | 11.42                           | 22,977                    |
|   | 2007 | 190            | 10,541,000  | 25                 | 1,176,000   | 3,614             | 91,864,000    | 11.35                           | 23,575                    |
|   | 2008 | 197            | 16,691,000  | 45                 | 9,611,000   | 3,766             | 98,944,000    | 7.71                            | 24,391                    |
|   | 2009 | 170            | 11,925,000  | 105                | 4,597,000   | 3,831             | 106,272,000   | 7.41                            | 25,710                    |
| <b>Firefighters Retirement System</b>                 | 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                    |
|   | 2005 | 53             | —           | 12                 | —           | 974               | 27,269,000    | 7.94                            | 25,319                    |
|   | 2006 | 44             | —           | 5                  | —           | 1,013             | 29,497,000    | 8.17                            | 26,430                    |
|   | 2007 | 53             | 5,023,000   | 3                  | 584,000     | 1,063             | 33,936,000    | 15.05                           | 27,513                    |
|   | 2008 | 33             | 3,457,000   | 13                 | 2,038,000   | 1,083             | 35,355,000    | 4.18                            | 29,169                    |
|   | 2009 | 38             | 4,503,000   | 9                  | 1,547,000   | 1,112             | 38,311,000    | 8.36                            | 30,158                    |
| <b>Judges Retirement System</b>                       | 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     | 3.60                            | 52,243                    |
|   | 2005 | 5              | —           | 1                  | —           | 88                | 4,755,000     | 5.25                            | 52,465                    |
|   | 2006 | 3              | —           | 2                  | —           | 89                | 5,251,000     | 10.43                           | 57,325                    |
|   | 2007 | 7              | 1,084,000   | —                  | —           | 96                | 6,335,000     | 20.64                           | 60,717                    |
|   | 2008 | 3              | 583,000     | 2                  | 338,000     | 97                | 6,580,000     | 3.87                            | 63,084                    |
|   | 2009 | 10             | 1,015,000   | —                  | —           | 107               | 7,595,000     | 15.43                           | 65,133                    |
| <b>Utah Governors and Legislators Retirement Plan</b> | 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                     |
|   | 2005 | 12             | —           | 3                  | —           | 230               | 755,000       | 6.04                            | 2,851                     |
|   | 2006 | 3              | —           | 11                 | —           | 222               | 758,000       | 0.40                            | 2,983                     |
|   | 2007 | 6              | 57,000      | 8                  | 57,000      | 220               | 758,000       | —                               | 2,966                     |
|   | 2008 | 8              | 70,000      | 6                  | 65,000      | 222               | 763,000       | 0.66                            | 2,941                     |
|   | 2009 | 5              | 72,527      | 3                  | 51,527      | 224               | 784,000       | 2.75                            | 3,030                     |

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

**Utah Retirement Systems**

Summary of Plan Provisions (Continued)

## Noncontributory Retirement System

| Description                                   | Requirement  |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
|---|--|------------------------------|------------------|----------------------|--------------|----------|------|--------------|----------|------------------------------|-------------|----------|----------------------------|-------------|----------|----------------------------|----------|---------|------|
| <b>Membership Eligibility</b>                 | 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.   |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
| <b>Vesting</b>                                | Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service.   |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
| <b>Service Retirement</b>                     | <table border="0"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Years of Service</th> <th style="text-align: left;">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                         |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
| <b>Service Benefit Formula</b>                | <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>   |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
| <b>Cost-of-Living Allowance</b>               | <p>Up to 4% annually on the original retirement benefit.</p> <p>Eligible after one year.</p>   |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
| <b>Death Benefits</b>                         | <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> |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
| <b>Refunds</b>                                | 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.   |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
| <b>Redeposits</b>                             | 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.  |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
| <b>Contribution Rates</b><br>(as of 12-31-09) | Employer rate for State & School (Level A) is 14.22% of covered salary and 11.66% for Local Government (Level B).  |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |
| <b>Interest</b>                               | Up to 7.75% on member accounts transferred from the Contributory Retirement System.  |                              |                  |                      |              |          |      |              |          |                              |             |          |                            |             |          |                            |          |         |      |

**Utah Retirement Systems**

Summary of Plan Provisions (Continued)

## Contributory Retirement System

| Description                                   | Requirement  |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
|---|--|----------------------------|------------------|----------------------|---------|----|------|-------|----|----------------------------|-------|----|----------------------------|----|---|------|
| <b>Membership Eligibility</b>                 | 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.  |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
| <b>Vesting</b>                                | Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service. Eligible member contributions and interest thereon vest immediately.  |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
| <b>Service Retirement</b>                     | <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                       |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
| <b>Service Benefit Formula</b>                | <p>1) Number of years of service before 7-1-75 x 1.25% x FAS*.<br/>                 2) Number of years of service after 6-30-75 x 2.0% x FAS*.<br/>                 3) Plan 1 allowance = total of 1 and 2.</p> <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>   |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
| <b>Cost-of-Living Allowance</b>               | Up to 4% annually on the original retirement benefit. Eligible after one year.   |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
| <b>Death Benefits</b>                         | <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> |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
| <b>Refunds</b>                                | 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.   |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
| <b>Redeposits</b>                             | 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.  |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
| <b>Contribution Rates</b><br>(as of 12-31-09) | <p>Member contribution rate is 6.00%* of covered salary. Employer rate for State and School (Level A) is 9.73% of covered salary and 7.65% for Local Government (Level B).</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p>   |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |
| <b>Interest</b>                               | Up to 7.75% on member accounts.  |                            |                  |                      |         |    |      |       |    |                            |       |    |                            |    |   |      |

**Utah Retirement Systems**

Summary of Plan Provisions (Continued)

**Public Safety Retirement System**

| Description                     | Requirement   |                     |                  |                     |              |         |      |         |         |      |         |        |      |
|---------------------------------|---|---------------------|------------------|---------------------|--------------|---------|------|---------|---------|------|---------|--------|------|
| <b>Membership Eligibility</b>   | 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.   |                     |                  |                     |              |         |      |         |         |      |         |        |      |
| <b>Vesting</b>                  | Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.  |                     |                  |                     |              |         |      |         |         |      |         |        |      |
| <b>Service Retirement</b>       | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Years of Service</th> <th style="text-align: left;">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age.....</td> <td>20.....</td> <td>None</td> </tr> <tr> <td>60.....</td> <td>10.....</td> <td>None</td> </tr> <tr> <td>65.....</td> <td>4.....</td> <td>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                |                  |                     |              |         |      |         |         |      |         |        |      |
| <b>Service Benefit Formula</b>  | <p>1) 2.5% x FAS* x years of service up to 20 years.<br/>                     2) 2.0% x FAS* x years of service over 20 years.<br/>                     3) Monthly benefit = total of 1 and 2.**</p> <p>* FAS (Final Average Salary) = highest three years' earnings converted to a monthly average.<br/>                     Yearly salary increases are limited to 10% plus a COLA determined by the CPI.<br/>                     **Benefits paid cannot exceed 70% of FAS.</p>  |                     |                  |                     |              |         |      |         |         |      |         |        |      |
| <b>Cost-of-Living Allowance</b> | Up to 2.5% annually on original retirement benefit. Employers have the option to provide an enhanced cost-of-living (COLA) benefit to their public safety retirees that will raise the maximum COLA from 2.5% to 4% based on the CPI. Eligible after one year.  |                     |                  |                     |              |         |      |         |         |      |         |        |      |
| <b>Death Benefits</b>           | <p><b>DIVISION A (with Social Security)</b></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 the member has 20 years of service credit, the spouse's benefit is the same as for a retired member. If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For more than 10 years of service, the benefit to the surviving spouse is \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Dependent children receive no additional benefits. A retired member's death benefit to the surviving spouse is 65% of the monthly benefit unless the member selects a reduced monthly benefit at the time of retirement to provide a 75% spousal benefit.</p> |                     |                  |                     |              |         |      |         |         |      |         |        |      |

**Utah Retirement Systems**

Summary of Plan Provisions (Continued)

**Public Safety Retirement System** (Continued)

| Description                                   | Requirement   |
|---|---|
| <b>Death Benefits</b><br>(Continued)          | <p><b>DIVISION B (without Social Security)</b></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 unless the member selects a reduced monthly benefit at the time of retirement to provide a 75% spousal benefit. An unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month.</p>  |
| <b>Refunds</b>                                | 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.  |
| <b>Redeposits</b>                             | 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.   |
| <b>Contribution Rates</b><br>(as of 12-31-09) | <p><b>NONCONTRIBUTORY OPTION</b></p> <p>Employer rates for Division A are: State units 30.18%; Provo 30.91%; Bountiful 23.07%; other law enforcement units with a 2.5% COLA 23.34% and units with a 4.0% COLA 25.9% of salary. Employer rates for Division B are: Salt Lake City 35.71%; Ogden 33.11%; Logan 27.74%; other law enforcement units with a 2.5% COLA 26.21% and units with a 4.0% COLA 28.73% of covered salary.</p> <p><b>CONTRIBUTORY OPTION</b></p> <p>Member rates in Division A are: State units 12.99%; all other law enforcement units with a 2.5% COLA 12.29% and units with a 4.0% COLA 12.29% of covered salary. Member rates in Division B are: Logan 11.13% and other law enforcement units with a 2.5% COLA 10.50% and units with a 4.0% COLA 10.50% of salary.</p> <p>Employer rates for Division A are: State units 19.01%; all other law enforcement units with a 2.5% COLA 12.47% and units with a 4.0% COLA 15.01% of covered salary. Employer rates for Division B are: Logan 17.81% and other law enforcement units with a 2.5% COLA 16.67% and units with a 4.0% COLA 19.17% of salary.</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p> |
| <b>Interest</b>                               | Up to 7.75% on member accounts.   |

**Utah Retirement Systems**

Summary of Plan Provisions (Continued)

## Firefighters Retirement System

| Description                     | Requirement  |                     |                  |                     |              |          |      |          |          |      |          |         |      |
|---------------------------------|--|---------------------|------------------|---------------------|--------------|----------|------|----------|----------|------|----------|---------|------|
| <b>Membership Eligibility</b>   | The Firefighters Retirement System includes eligible state and local government employees directly involved in fire fighting and whose duties are classified as hazardous. If an employer does not classify the duties as hazardous, the employee will be enrolled in either the Public Employees Contributory or Noncontributory Retirement System. Employees are qualified for membership in the Firefighters System if they are regularly scheduled to work and be compensated for 2,080 hours a year in a regular constituted fire department and are regularly assigned to hazardous duty. Although volunteer firefighters who are on the rolls of a legally organized volunteer fire department do not contribute to the System and are not eligible for service retirement benefits, they or their beneficiaries receive benefits based on the salary of the lowest paid firefighters in a first-class city if they are disabled or killed in the line of duty. |                     |                  |                     |              |          |      |          |          |      |          |         |      |
| <b>Vesting</b>                  | Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.   |                     |                  |                     |              |          |      |          |          |      |          |         |      |
| <b>Service Retirement</b>       | <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>20 .....</td> <td>None</td> </tr> <tr> <td>60 .....</td> <td>10 .....</td> <td>None</td> </tr> <tr> <td>65 .....</td> <td>4 .....</td> <td>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                |                  |                     |              |          |      |          |          |      |          |         |      |
| <b>Service Benefit Formula</b>  | <p>1) 2.5% x FAS* x years of service up to 20 years<br/>                 2) 2.0% x FAS* x years of service over 20 years.<br/>                 3) Monthly benefit = total of 1 and 2.**</p> <p>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average.<br/>                 Yearly salary increases are limited to 10% plus a COLA determined by the CPI.<br/>                 **Benefits paid cannot exceed 70% of FAS, but cannot be less than \$500.</p>  |                     |                  |                     |              |          |      |          |          |      |          |         |      |
| <b>Cost-of-Living Allowance</b> | Up to 4.0% annually on original retirement benefit. Eligible after one year.   |                     |                  |                     |              |          |      |          |          |      |          |         |      |
| <b>Disability Benefits</b>      | 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.  |                     |                  |                     |              |          |      |          |          |      |          |         |      |



**Utah Retirement Systems**

Summary of Plan Provisions (Continued)

**Firefighters Retirement System** (Continued)

| Description                                   | Requirement  |
|---|--|
| <b>Death Benefits</b>                         | <p><b>DIVISION A (with Social Security)</b></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> <p><b>DIVISION B (without Social Security)</b></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> |
| <b>Refunds</b>                                | 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.   |
| <b>Redeposits</b>                             | 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.  |
| <b>Contribution Rates</b><br>(as of 12-31-09) | <p>Member rate in Division A is 13.49% of covered salary. Member rate in Division B is 9.68% 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 12.34% of salaries is also an additional part of the employer contribution rates. Fire insurance premium taxes are collected by the Utah State Treasurer for the Firefighters Retirement System to help fund retirement benefits.</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p>  |
| <b>Interest</b>                               | Member contributions receive no interest.  |

**Utah Retirement Systems**

Summary of Plan Provisions (Continued)

**Judges Retirement System**

| Description                                   | Requirement  |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
|---|--|--------------------------|------------------|---------------------|---------|----|------|----|----|--------------------------|----|----|------|----|---|------|
| <b>Membership Eligibility</b>                 | The Judges Retirement System includes justices and judges of the courts of record as authorized in state statutes.   |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| <b>Vesting</b>                                | Retirement benefit becomes vested upon the member's completion of 6 years of service credit. Eligible member contributions and interest thereon vest immediately.  |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| <b>Service Retirement</b>                     | <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 age | 25 | None | 55 | 20 | Full actuarial reduction | 62 | 10 | None | 70 | 6 | None |
| Age   | Years of Service   | Allowance Reduction      |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| Any age                                       | 25   | None                     |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| 55  | 20   | Full actuarial reduction |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| 62  | 10   | None                     |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| 70  | 6  | None                     |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| <b>Service Benefit Formula</b>                | 1) 5.00% x FAS*x years of service up to 10 yrs.<br>2) 2.25% x FAS*x years of service between 10 and 20 yrs.<br>3) 1.00% x FAS*x years of service over 20 yrs.<br>4) Monthly benefit = total of 1, 2, and 3.**<br>*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.<br>**Benefits paid cannot exceed 75% of FAS.  |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| <b>Cost-of-Living Allowance</b>               | Up to 4% compounded annually, beginning one year after retirement. 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.<br>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. |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| <b>Death Benefits</b>                         | A terminated member is eligible for a 100% refund of member contributions plus interest.   |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| <b>Refunds</b>                                | There is a 60-day refund processing period after the last day of paid employment.  |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| <b>Redeposits</b>                             | 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.  |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| <b>Contribution Rates</b><br>(as of 12-31-09) | Employer rate includes 17.09% of covered salary and 13.83% from court fees.  |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |
| <b>Interest</b>                               | Up to 7.75% on member accounts.  |                          |                  |                     |         |    |      |    |    |                          |    |    |      |    |   |      |

**Utah Governors and Legislators Retirement Plan**

| Description                                   | Requirement   |                             |                  |           |    |   |      |    |    |                             |
|---|---|-----------------------------|------------------|-----------|----|---|------|----|----|-----------------------------|
| <b>Membership Eligibility</b>                 | The Utah Governors and Legislators Retirement Plan includes only governors and legislators of the State of Utah.  |                             |                  |           |    |   |      |    |    |                             |
| <b>Vesting</b>                                | Retirement benefit becomes vested upon the member's completion of 4 years of service credit.  |                             |                  |           |    |   |      |    |    |                             |
| <b>Service Retirement</b>                     | <table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>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 | Reduction | 65 | 4 | None | 62 | 10 | .3% each year before age 65 |
| Age   | Years of Service  | Reduction                   |                  |           |    |   |      |    |    |                             |
| 65  | 4   | None                        |                  |           |    |   |      |    |    |                             |
| 62  | 10  | .3% each year before age 65 |                  |           |    |   |      |    |    |                             |
| <b>Service Benefit Formula</b>                | <p><b>GOVERNORS</b></p> \$500 per month per term increased semi-annually up to 2% based on the CPI. The amount as of 12-31-09 is \$1,220 per term. <p><b>LEGISLATORS</b></p> \$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 12-31-09 is \$26.80.   |                             |                  |           |    |   |      |    |    |                             |
| <b>Cost-of-Living Allowance</b>               | Up to 4% annually on the original retirement benefit. Eligible after one year.  |                             |                  |           |    |   |      |    |    |                             |
| <b>Death Benefits</b>                         | 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. |                             |                  |           |    |   |      |    |    |                             |
| <b>Contribution Rates</b><br>(as of 12-31-09) | There are currently no required contributions to the Utah Governors and Legislative Retirement Plan.  |                             |                  |           |    |   |      |    |    |                             |

## Utah Retirement Systems

### Summary of Plan Provisions (Continued)



## Changes in Plan Provisions

The following retirement-related bills were passed by the 2009 Utah Legislature:

### Public Employees Noncontributory and Contributory Retirement Systems

#### HB 96 (sub)

##### Retirement Coverage for Charter Schools

Allows a charter school that chose not to participate in the state retirement systems for its employees to make a one-time, irrevocable retraction of that decision; makes technical corrections.

#### SB 139 Conversion Window

Creates a conversion window for certain employers to elect to participate in the Public Employees Noncontributory Retirement System, and provides times and procedures for conversion.

#### HB 167 Retirement Exclusion for Special Service District Hospitals

Allows an employer that is a hospital created as a special service district to be excluded from participation in the Public Employees Noncontributory and Contributory Retirement Systems under certain circumstances; provides for similar exclusion for that employer's employees.

## Public Safety Retirement Systems

#### SB 127 Cost-of-Living Adjustments

Clarifies transition language related to eligibility of an enhanced public safety retirement cost-of-living adjustment.

#### SB 139 Conversion Window and Cost-of-Living Adjustments

Extends the date for certain participating employers to provide a 4% COLA instead of a maximum 2.5% COLA to its eligible public safety retirees.

#### SB 145 Public Safety Death Benefit

- Allows a public safety retiree to choose at the time of retirement a death benefit of 75% instead of 65% of the retiree's monthly allowance to be paid to the surviving spouse in exchange for an actuarially reduced retirement allowance;
- Provides a 12-month window for certain public safety retirees to choose an increased spousal death benefit paid for by a reduction in the retiree's allowance.

## Firefighters Retirement System

#### SB 127 Application for Participation

Provides an application process for employers to participate in the Firefighters Retirement System; makes technical changes.

## General

#### HB 211 (sub) Analysis of Investments

Directs the Retirement Office to prepare an annual report of investments of retirement funds in scrutinized companies within Iran's petroleum sector.

#### HJR 29 Health Insurance for State Employees

Moves the health insurance premium share for state employees from 2% of premium to 5% of premium.

#### SB 127 Retirement Amendments

Allows the Retirement Office to deduct money that is owed to the retirement systems from payments made to beneficiaries.

## Defined Contribution Plans

#### SB 127 Deferred Compensation Plans

Amends the definition of defined contribution to include deferred compensation plans; allows an employer to pay required retirement contributions to a non-qualified deferred compensation plan administered by the board, if the employer is not participating in a qualified defined contribution plan.

# Defined Contribution Savings Plans



## Summary of Plan Provisions

### Introduction

The 401(k), 457, Roth and Traditional IRA Plans administered by the Board are Defined Contribution Savings Plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems. These Plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue Code and are available to state, local government, and education employees throughout Utah whose employers have adopted the plans.

### Goals and Objectives

The purpose of these plans is to allow public employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their income in one or more of these supplemental retirement plans.

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

These tax-advantaged plans provide exceptional vehicles to accomplish the goal of a well balanced retirement plan. Employees who begin participating in these plans early in their careers can accumulate sizeable assets by the time they retire.

### Employer Contributions

In addition to accepting employee contributions, the 401(k) and 457 plans also accept employer contributions on behalf of their employees. All state and public education employees participating in the Noncontributory Retirement System receive an amount equal to 1.5% of their salary in the 401(k) Plan. All local government employers also have the option of contributing to the 401(k) and 457 Plans 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 or 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 6.2% of salary to the Plan(s) in their behalf for it to be considered a "qualifying system." The employer may contribute the 6.2% themselves, or they may require their employees to pay a portion or all of it.

### Summary of Plan Provisions

#### Deferral Limits

**401(k)** — Limited in 2009 to an annual maximum of \$16,500. Employer contributions and employee deferrals combined could not exceed the lesser of \$49,000 or 100% of compensation.

**457** — Limited to an annual maximum of \$16,500 or 100% of includable compensation.

**Roth and Traditional IRA** — Limited to an annual maximum of \$5,000 into all IRAs owned by the participant.

## Summary of Plan Provisions (Continued)

**Coordination of Deferrals**

**401(k)** — Deferrals to the 401(k) and 403(b) plans must be coordinated.

**457** — Contributions to the 457 must be coordinated with all 457(b) plans offered by the employer.

**Roth and Traditional IRA** — All IRA contributions must be coordinated.

**Catch-up Provisions**

**401(k)** — An additional \$5,500 for participants 50 or older during the year.

**457** — An additional \$5,500 for participants age 50 or older during the year. There is an additional “special catch-up” provision for individuals who are within four years of retirement eligibility. It allows participants to double their contributions to a 457(b) plan during the three years immediately preceding the year they qualify for retirement. However, the special catch-up is limited to unused deferrals allowed in previous years.

**Roth and Traditional IRA** — An additional \$1,000 for participants 50 or older.

**Withdrawals**

**401(k)** — Allowable upon termination of employment, age 59 1/2, retirement, disability, death, or hardship caused by immediate and heavy financial needs.

**457** — Allowable upon termination of employment, age 70 1/2, retirement, death, or severe unforeseeable financial emergencies.

**Roth and Traditional IRA** — Allowable at any time, but with possible tax penalties if withdrawn prior to age 59 1/2.

**Rollovers**

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

**457** — Allowable to other eligible retirement plans or from another 457(b) plan.

**Roth and Traditional IRA** — Allowable from other eligible retirement plans or to other eligible plans (depending on acceptance of receiving plan).

**Vesting**

**401(k)** — Fully vested.

**457** — Fully vested.

**Roth and Traditional IRA** — Fully vested.

**Loans**

**401(k) and 457** — Available up to 50% of member account balance, to a maximum of \$50,000. Only one outstanding loan allowed, per plan.

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

**Short Term Trading Fees**

Each time money managers purchase or redeem stocks and bonds there are trading costs involved. Because of the costs generated by frequent or short term trading, it became necessary to impose a short term trading fee. Individuals who transfer any or all of their current account between core investment options more often than once every 30 days, are charged 2% of the amount transferred for each additional trade. Each transfer starts a new 30 day period.

**Investment Transfer Options**

Changes in deferral amounts and in the investment options for future contributions may be made at any time. Participants may make one transfer of accumulated balances within each plan no more frequently than every seven calendar days.

**2009 Core Investment Options****Income Fund**

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

**Bond Fund**

The Bond Fund invests in a diversified portfolio consisting of U.S. government securities, mortgage and asset backed securities, corporate bonds, and short term funds.

**Balanced Fund**

The Balanced Fund invests in a portfolio consisting of approximately 60% stocks, and 40% bonds.

**Large Cap Stock Value Fund**

The Large Cap Stock Value Fund invests in a diversified portfolio of common stocks that appear to be undervalued by the stock market but have a favorable outlook for long term growth.

## Summary of Plan Provisions (Continued)

**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.

**Small Cap Stock Fund**

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

**Brokerage Window**

The brokerage window is a self-directed brokerage account available through Charles Schwab. The brokerage account offers a wide variety of investment options with varying degrees of risk. The brokerage window allows the participant to choose from mutual funds, stocks, bonds, and exchange traded funds (ETFs).

**Horizon Funds**

A **Horizon Fund** asset allocation is designed to help those who want to diversify their investment. If they select one of the three Horizon Funds, contributions will be allocated to the investment options according to the 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.

**Horizon Funds  
Asset Allocation**

|                                    | Short<br>Horizon<br>Fund | Medium<br>Horizon<br>Fund | Long<br>Horizon<br>Fund |
|------------------------------------|--------------------------|---------------------------|-------------------------|
| <b>Income Fund</b>                 | 15%                      | —                         | —                       |
| <b>Bond Fund</b>                   | 55                       | 45                        | 20                      |
| <b>Large Cap Stock Value Fund</b>  | 5                        | 10                        | 10                      |
| <b>Large Cap Stock Index Fund</b>  | 5                        | 15                        | 25                      |
| <b>Large Cap Stock Growth Fund</b> | 5                        | 10                        | 10                      |
| <b>International Fund</b>          | 10                       | 15                        | 25                      |
| <b>Small Cap Stock Fund</b>        | 5                        | 5                         | 10                      |
| <b>Total</b>                       | <b>100%</b>              | <b>100</b>                | <b>100</b>              |

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.

**Health Reimbursement Arrangement**

The Health Reimbursement Arrangement (HRA) is a tax-advantaged health savings plan funded by employer contributions to pay for qualified health care expenses incurred after retirement.

**Eligibility** — Benefits are eligible for the retiree, spouse, and dependents as defined by the Internal Revenue Service.

**Contributions** — HRA rules require that all contributions be made by the employer and are determined by the employer's personnel policies. Contributions are generally from unused sick leave or other leave.

**Refunds, Administration and Fees** — Money is available for the member, their spouse and dependents to pay qualified medical expenses. For a comprehensive list of eligible expenses, see IRS Publication 502, Medical and Dental Expenses.

Contributions are placed in a money market account managed by Northern Trust. Investment management and administrative fee totaling 0.6% are deducted from earnings. There is also a \$2.50 monthly fee for the benefit card and claims processing.

The historical rates of returns for each investment fund are found on page 111.

# Statistical Section

**Schedules of Changes in Fund Balance — Defined Benefit Systems 142**

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

**Schedule of Changes in Fund Balance — Defined Contribution Plans 144**

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

**Schedules of Benefit Deductions by Type 146**

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

**Schedules of Retired Members by Type of Benefit Option 147**

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

**Schedules of Average Benefit Payments 148**

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

**Schedules of Active Members by Age and Gender 150**

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

**Schedules of Retirees by Age and Gender 151**

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

**Schedules of Principal Participating Employers 152**

This schedule provides readers with information regarding the largest participating employers.

**Schedule of Utah Retirement Office Employees 153**

This schedule provides readers with information regarding the number of Utah Retirement Systems' employees.

**Schedule of Participating Employers 155**

This schedule provides readers with information regarding the participating employers and the systems in which they participate.

**Utah Retirement Systems — a Highlight History 159**

This schedule provides readers with historical highlights of the Utah Retirement Systems

**Systems and Plans Statistical Highlights**

This schedule provides readers with a number of general system and plan highlights.

**Inside  
Back  
Cover**

# Schedules of Changes in Fund Balance — Defined Benefit Systems

Year Ended December 31

| System  | Year | Beginning<br>Net Assets | Total Employer<br>Contributions |                           |                                      |       | Contributions<br>as a Percent<br>of Covered<br>Payroll | Net<br>Investment<br>Income |
|---|------|-------------------------|---------------------------------|---------------------------|--------------------------------------|-------|--|-----------------------------|
|   |      |                         | Member<br>Contributions         | Employer<br>Contributions | Court Fees/<br>Fire Insurance<br>Tax |       |  |                             |
| <b>Noncontributory<br/>Retirement<br/>System</b>              | 2000 | \$10,111,101            | 11,518                          | 352,339                   | —                                    | 13.25 | \$ 186,787   |                             |
|   | 2001 | 10,423,745              | 10,969                          | 331,951                   | —                                    | 11.72 | (544,848)  |                             |
|   | 2002 | 9,905,802               | 12,496                          | 291,256                   | —                                    | 9.95  | (788,906)  |                             |
|   | 2003 | 9,073,766               | 11,517                          | 314,511                   | —                                    | 10.63 | 2,315,577  |                             |
|   | 2004 | 11,280,140              | 14,377                          | 369,109                   | —                                    | 11.97 | 1,547,605  |                             |
|   | 2005 | 12,786,130              | 19,817                          | 406,795                   | —                                    | 12.85 | 1,185,095  |                             |
|   | 2006 | 13,892,439              | 22,646                          | 440,421                   | —                                    | 13.24 | 2,006,738  |                             |
|   | 2007 | 15,818,483              | 18,245                          | 487,803                   | —                                    | 14.20 | 1,041,414  |                             |
|   | 2008 | 16,751,804              | 14,110                          | 522,733                   | —                                    | 13.50 | (3,888,624)  |                             |
|   | 2009 | 12,714,371              | 14,109                          | 535,298                   | —                                    | 13.53 | 1,667,478  |                             |
| <b>Contributory<br/>Retirement<br/>System</b>                 | 2000 | \$ 1,030,515            | 8,464                           | 10,484                    | —                                    | 7.43  | \$ 17,543  |                             |
|   | 2001 | 946,420                 | 8,604                           | 8,480                     | —                                    | 5.93  | (47,761)   |                             |
|   | 2002 | 843,982                 | 8,923                           | 6,735                     | —                                    | 4.73  | (64,251)   |                             |
|   | 2003 | 716,132                 | 8,673                           | 7,297                     | —                                    | 5.23  | 186,339  |                             |
|   | 2004 | 889,808                 | 9,023                           | 9,564                     | —                                    | 6.86  | 117,340  |                             |
|   | 2005 | 949,393                 | 10,300                          | 10,357                    | —                                    | 7.52  | 88,388   |                             |
|   | 2006 | 1,018,525               | 9,534                           | 10,737                    | —                                    | 8.02  | 144,012  |                             |
|   | 2007 | 1,115,416               | 9,700                           | 11,208                    | —                                    | 8.56  | 71,640   |                             |
|   | 2008 | 1,131,316               | 9,410                           | 11,037                    | —                                    | 8.29  | (261,227)  |                             |
|   | 2009 | 835,370                 | 8,655                           | 10,865                    | —                                    | 8.50  | 112,626  |                             |
| <b>Public Safety<br/>Retirement<br/>System</b>                | 2000 | \$ 1,261,920            | 4,132                           | 49,113                    | —                                    | 19.90 | \$ 23,226  |                             |
|   | 2001 | 1,296,078               | 3,976                           | 46,113                    | —                                    | 17.68 | (67,688)   |                             |
|   | 2002 | 1,229,903               | 4,258                           | 42,264                    | —                                    | 15.74 | (97,816)   |                             |
|   | 2003 | 1,124,549               | 4,448                           | 46,655                    | —                                    | 16.76 | 288,126  |                             |
|   | 2004 | 1,404,167               | 5,038                           | 56,319                    | —                                    | 19.17 | 192,784  |                             |
|   | 2005 | 1,594,043               | 4,806                           | 61,326                    | —                                    | 20.53 | 148,071  |                             |
|   | 2006 | 1,736,451               | 4,567                           | 70,466                    | —                                    | 22.25 | 250,813  |                             |
|   | 2007 | 1,981,492               | 4,343                           | 81,166                    | —                                    | 24.46 | 130,655  |                             |
|   | 2008 | 2,106,302               | 2,159                           | 93,899                    | —                                    | 25.72 | (491,024)  |                             |
|   | 2009 | 1,614,057               | 1,556                           | 98,729                    | —                                    | 26.40 | 213,627  |                             |
| <b>Firefighters<br/>Retirement<br/>System</b>                 | 2000 | \$ 532,783              | 9,617                           | 140                       | 6,615                                | 10.68 | \$ 9,733   |                             |
|   | 2001 | 540,822                 | 7,549                           | —                         | 8,354                                | 12.43 | (28,038)   |                             |
|   | 2002 | 508,565                 | 5,800                           | —                         | 9,454                                | 13.25 | (40,198)   |                             |
|   | 2003 | 461,323                 | 6,055                           | —                         | 9,059                                | 11.98 | 117,392  |                             |
|   | 2004 | 570,160                 | 6,292                           | —                         | 8,659                                | 10.87 | 77,602   |                             |
|   | 2005 | 637,979                 | 6,726                           | —                         | 9,601                                | 11.42 | 58,827   |                             |
|   | 2006 | 686,062                 | 7,761                           | —                         | 9,518                                | 10.73 | 98,566   |                             |
|   | 2007 | 773,776                 | 9,194                           | —                         | 13,797                               | 14.41 | 50,738   |                             |
|   | 2008 | 814,674                 | 10,428                          | —                         | 10,219                               | 9.99  | (188,095)  |                             |
|   | 2009 | 612,699                 | 11,273                          | —                         | 16,159                               | 15.01 | 79,811   |                             |
| <b>Judges<br/>Retirement<br/>System</b>                       | 2000 | \$ 85,921               | 8                               | 1,476                     | 1,946                                | 32.91 | \$ 1,571   |                             |
|   | 2001 | 87,731                  | 7                               | 1,007                     | 2,046                                | 27.94 | (4,559)  |                             |
|   | 2002 | 82,760                  | 5                               | 472                       | 2,381                                | 25.53 | (6,564)  |                             |
|   | 2003 | 75,753                  | 103                             | 551                       | 1,939                                | 22.87 | 19,417   |                             |
|   | 2004 | 94,467                  | 8                               | 723                       | 1,808                                | 21.73 | 12,852   |                             |
|   | 2005 | 105,483                 | 8                               | 792                       | 1,605                                | 20.67 | 9,762  |                             |
|   | 2006 | 113,353                 | 10                              | 995                       | 1,723                                | 22.29 | 16,287   |                             |
|   | 2007 | 128,299                 | 13                              | 1,360                     | 1,850                                | 24.10 | 8,401  |                             |
|   | 2008 | 134,364                 | 138                             | 1,730                     | 2,072                                | 26.4  | (31,053)   |                             |
|   | 2009 | 100,895                 | 67                              | 2,083                     | 2,101                                | 28.99 | 13,214   |                             |
| <b>Utah Governors<br/>and Legislators<br/>Retirement Plan</b> | 2000 | \$ 12,159               | —                               | —                         | —                                    | —     | \$ 218   |                             |
|   | 2001 | 11,724                  | —                               | —                         | —                                    | —     | (595)  |                             |
|   | 2002 | 10,448                  | —                               | —                         | —                                    | —     | (806)  |                             |
|   | 2003 | 8,932                   | —                               | —                         | —                                    | —     | 2,202  |                             |
|   | 2004 | 10,390                  | —                               | —                         | —                                    | —     | 1,381  |                             |
|   | 2005 | 11,066                  | —                               | —                         | —                                    | —     | 997  |                             |
|   | 2006 | 11,319                  | —                               | —                         | —                                    | —     | 1,589  |                             |
|   | 2007 | 12,163                  | —                               | —                         | —                                    | —     | 780  |                             |
|   | 2008 | 12,196                  | —                               | —                         | —                                    | —     | (2,763)  |                             |
|   | 2009 | 8,675                   | —                               | —                         | —                                    | —     | 1,098  |                             |



| Transfers from Systems | Total Additions | Benefit Payments | Refunds | Administrative & Actuarial Expense | Transfers to Systems | Total Deductions | Changes in Net Assets | Ending Net Assets |
|------------------------|-----------------|------------------|---------|------------------------------------|----------------------|------------------|-----------------------|-------------------|
| 51,020                 | 601,664         | 276,878          | 5,292   | 6,850                              | —                    | 289,020          | 312,644               | 10,423,745        |
| 5,255                  | (196,673)       | 311,311          | 3,264   | 6,695                              | —                    | 321,270          | (517,943)             | 9,905,802         |
| 12,166                 | (472,988)       | 348,230          | 3,715   | 7,103                              | —                    | 359,048          | (832,036)             | 9,073,766         |
| —                      | 2,641,605       | 386,791          | 3,310   | 8,124                              | 37,006               | 435,231          | 2,206,374             | 11,280,140        |
| 10,583                 | 1,941,674       | 424,897          | 3,029   | 7,758                              | —                    | 435,684          | 1,505,990             | 12,786,130        |
| —                      | 1,611,707       | 469,695          | 3,189   | 7,557                              | 24,957               | 505,398          | 1,106,309             | 13,892,439        |
| 112                    | 2,469,917       | 533,248          | 2,763   | 7,862                              | —                    | 543,873          | 1,926,044             | 15,818,483        |
| 7,173                  | 1,554,635       | 609,526          | 3,443   | 8,345                              | —                    | 621,314          | 933,321               | 16,751,804        |
| —                      | (3,351,781)     | 659,792          | 2,514   | 8,809                              | 14,537               | 685,652          | (4,037,433)           | 12,714,371        |
| —                      | 2,216,885       | 723,052          | 2,882   | 8,340                              | 44,420               | 778,694          | 1,438,191             | 14,152,562        |
| —                      | 36,491          | 60,317           | 5,040   | 680                                | 54,549               | 120,586          | (84,095)              | 946,420           |
| —                      | (30,677)        | 59,575           | 3,087   | 654                                | 8,445                | 71,761           | (102,438)             | 843,982           |
| —                      | (48,593)        | 59,497           | 3,716   | 624                                | 15,420               | 79,257           | (127,850)             | 716,132           |
| 33,263                 | 235,572         | 57,863           | 3,358   | 675                                | —                    | 61,896           | 173,676               | 889,808           |
| —                      | 135,927         | 56,992           | 2,945   | 618                                | 15,787               | 76,342           | 59,585                | 949,393           |
| 19,565                 | 128,610         | 57,100           | 1,800   | 578                                | —                    | 59,478           | 69,132                | 1,018,525         |
| —                      | 164,283         | 58,546           | 1,789   | 576                                | 6,481                | 67,392           | 96,891                | 1,115,416         |
| —                      | 92,548          | 61,678           | 2,318   | 588                                | 12,064               | 76,648           | 15,900                | 1,131,316         |
| 9,008                  | (231,772)       | 62,096           | 1,473   | 605                                | —                    | 64,174           | (295,946)             | 835,370           |
| 37,633                 | 169,779         | 64,849           | 2,158   | 555                                | —                    | 67,562           | 102,217               | 937,587           |
| 2,027                  | 78,738          | 42,769           | 971     | 840                                | —                    | 44,580           | 34,158                | 1,296,078         |
| 1,416                  | (16,183)        | 48,607           | 542     | 843                                | —                    | 49,992           | (66,175)              | 1,229,903         |
| 1,956                  | (49,338)        | 53,962           | 1,155   | 899                                | —                    | 56,016           | (105,354)             | 1,124,549         |
| 2,002                  | 341,231         | 59,941           | 666     | 1,006                              | —                    | 61,613           | 279,618               | 1,404,167         |
| 4,002                  | 258,143         | 66,329           | 960     | 978                                | —                    | 68,267           | 189,876               | 1,594,043         |
| 4,257                  | 218,460         | 74,041           | 1,026   | 985                                | —                    | 76,052           | 142,408               | 1,736,451         |
| 3,284                  | 329,130         | 82,499           | 562     | 1,028                              | —                    | 84,089           | 245,041               | 1,981,492         |
| 2,323                  | 218,487         | 91,864           | 723     | 1,090                              | —                    | 93,677           | 124,810               | 2,106,302         |
| 3,727                  | (391,239)       | 98,944           | 899     | 1,163                              | —                    | 101,006          | (492,245)             | 1,614,057         |
| 4,578                  | 318,490         | 106,272          | 390     | 1,127                              | —                    | 107,789          | 210,701               | 1,824,758         |
| 1,303                  | 27,408          | 18,738           | 312     | 319                                | —                    | 19,369           | 8,039                 | 540,822           |
| 1,517                  | (10,618)        | 20,778           | 543     | 318                                | —                    | 21,639           | (32,257)              | 508,565           |
| 735                    | (24,209)        | 22,288           | 422     | 323                                | —                    | 23,033           | (47,242)              | 461,323           |
| 625                    | 133,131         | 23,520           | 414     | 360                                | —                    | 24,294           | 108,837               | 570,160           |
| 980                    | 93,533          | 25,263           | 106     | 345                                | —                    | 25,714           | 67,819                | 637,979           |
| 601                    | 75,755          | 27,269           | 72      | 331                                | —                    | 27,672           | 48,083                | 686,062           |
| 1,825                  | 117,670         | 29,497           | 114     | 345                                | —                    | 29,956           | 87,714                | 773,776           |
| 1,709                  | 75,438          | 33,936           | 248     | 356                                | —                    | 34,540           | 40,898                | 814,674           |
| 1,491                  | (165,957)       | 35,355           | 284     | 379                                | —                    | 36,018           | (201,975)             | 612,699           |
| 1,173                  | 108,416         | 38,311           | 231     | 354                                | —                    | 38,896           | 69,520                | 682,219           |
| 183                    | 5,184           | 3,322            | —       | 52                                 | —                    | 3,374            | 1,810                 | 87,731            |
| 239                    | (1,260)         | 3,659            | —       | 52                                 | —                    | 3,711            | (4,971)               | 82,760            |
| 560                    | (3,146)         | 3,804            | —       | 57                                 | —                    | 3,861            | (7,007)               | 75,753            |
| 1,128                  | 23,138          | 4,361            | —       | 63                                 | —                    | 4,424            | 18,714                | 94,467            |
| 204                    | 15,595          | 4,518            | —       | 61                                 | —                    | 4,579            | 11,016                | 105,483           |
| 518                    | 12,685          | 4,755            | —       | 60                                 | —                    | 4,815            | 7,870                 | 113,353           |
| 1,242                  | 20,257          | 5,251            | —       | 60                                 | —                    | 5,311            | 14,946                | 128,299           |
| 841                    | 12,465          | 6,335            | —       | 65                                 | —                    | 6,400            | 6,065                 | 134,364           |
| 294                    | (26,819)        | 6,580            | —       | 70                                 | —                    | 6,650            | (33,469)              | 100,895           |
| 1,027                  | 18,492          | 7,595            | —       | 66                                 | —                    | 7,661            | 10,831                | 111,726           |
| 16                     | 234             | 662              | 1       | 6                                  | —                    | 669              | (435)                 | 11,724            |
| 18                     | (577)           | 691              | 2       | 6                                  | —                    | 699              | (1,276)               | 10,448            |
| 3                      | (803)           | 708              | —       | 5                                  | —                    | 713              | (1,516)               | 8,932             |
| —                      | 2,202           | 726              | —       | 6                                  | 12                   | 744              | 1,458                 | 10,390            |
| 18                     | 1,399           | 712              | 5       | 6                                  | —                    | 723              | 676                   | 11,066            |
| 16                     | 1,013           | 755              | —       | 5                                  | —                    | 760              | 253                   | 11,319            |
| 18                     | 1,607           | 758              | —       | 5                                  | —                    | 763              | 844                   | 12,163            |
| 18                     | 798             | 758              | 2       | 5                                  | —                    | 765              | 33                    | 12,196            |
| 17                     | (2,746)         | 763              | 7       | 5                                  | —                    | 775              | (3,521)               | 8,675             |
| 9                      | 1,107           | 784              | —       | 5                                  | —                    | 789              | 318                   | 8,993             |

## Schedules of Changes in Fund Balance — Defined Contribution Plans

Year Ended December 31

*(in thousands)*

| System                                    | Year | Beginning<br>Net Assets | Contributions | Net Investment<br>Income / (Loss) | Total<br>Additions |
|---|------|-------------------------|---------------|-----------------------------------|--------------------|
| <b>401(k) Plan</b>                        | 2000 | \$ 1,259,441            | 137,563       | (55,001)                          | 82,562             |
|   | 2001 | 1,276,732               | 145,557       | (34,051)                          | 111,506            |
|   | 2002 | 1,330,045               | 160,267       | (109,790)                         | 50,477             |
|   | 2003 | 1,312,764               | 161,212       | 249,313                           | 410,525            |
|   | 2004 | 1,653,375               | 170,958       | 152,410                           | 323,368            |
|   | 2005 | 1,890,555               | 182,744       | 142,760                           | 325,504            |
|   | 2006 | 2,104,462               | 193,515       | 226,668                           | 420,183            |
|   | 2007 | 2,388,556               | 225,975       | 137,399                           | 363,374            |
|   | 2008 | 2,604,148               | 229,981       | (554,176)                         | (324,195)          |
|   | 2009 | 2,131,945               | 222,369       | 386,989                           | 609,358            |
| <b>457 Plan</b>                           | 2000 | \$ 234,988              | 5,983         | (9,061)                           | (3,078)            |
|   | 2001 | 215,605                 | 5,935         | (5,395)                           | 540                |
|   | 2002 | 199,518                 | 10,353        | (13,325)                          | (2,972)            |
|   | 2003 | 171,561                 | 13,812        | 29,193                            | 43,005             |
|   | 2004 | 196,219                 | 17,368        | 17,118                            | 34,486             |
|   | 2005 | 213,271                 | 22,033        | 14,891                            | 36,924             |
|   | 2006 | 230,031                 | 23,282        | 24,210                            | 47,492             |
|   | 2007 | 258,815                 | 26,303        | 14,025                            | 40,328             |
|   | 2008 | 277,063                 | 29,021        | (57,267)                          | (28,246)           |
|   | 2009 | 229,469                 | 26,617        | 41,581                            | 68,198             |
| <b>Roth IRA Plan*</b>                     | 2005 | \$ —                    | 1,007         | 53                                | 1,060              |
|   | 2006 | 1,027                   | 2,351         | 283                               | 2,634              |
|   | 2007 | 3,588                   | 2,745         | 208                               | 2,953              |
|   | 2008 | 6,336                   | 3,346         | (2,051)                           | 1,295              |
|   | 2009 | 7,088                   | 3,623         | 2,008                             | 5,631              |
| <b>Traditional IRA Plan*</b>              | 2005 | \$ —                    | 6,527         | 353                               | 6,880              |
|   | 2006 | 6,556                   | 6,069         | 1,061                             | 7,130              |
|   | 2007 | 12,428                  | 7,390         | 650                               | 8,040              |
|   | 2008 | 17,840                  | 7,433         | (3,488)                           | 3,945              |
|   | 2009 | 19,194                  | 3,161         | 2,803                             | 5,964              |
| <b>HRA Plan*</b>                          | 2006 | \$ —                    | 161           | 2                                 | 163                |
|   | 2007 | 129                     | 664           | 19                                | 683                |
|   | 2008 | 685                     | 1,129         | 23                                | 1,152              |
|   | 2009 | 1,546                   | 1,974         | 7                                 | 1,981              |
| <b>All Defined<br/>Contribution Plans</b> | 2000 | \$ 1,494,429            | 143,546       | (64,062)                          | 79,484             |
|   | 2001 | 1,492,337               | 151,492       | (39,446)                          | 112,046            |
|   | 2002 | 1,529,563               | 170,620       | (123,115)                         | 47,505             |
|   | 2003 | 1,484,325               | 175,024       | 278,506                           | 453,530            |
|   | 2004 | 1,849,584               | 188,326       | 169,528                           | 357,854            |
|   | 2005 | 2,103,826               | 212,311       | 158,057                           | 370,368            |
|   | 2006 | 2,342,076               | 225,378       | 252,224                           | 477,602            |
|   | 2007 | 2,663,516               | 263,077       | 152,301                           | 415,378            |
|   | 2008 | 2,906,072               | 270,910       | (616,959)                         | (346,049)          |
|   | 2009 | 2,389,242               | 257,744       | 433,388                           | 691,132            |

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

| Refunds | Administrative Expenses | Total Deductions | Changes in Net Assets | Ending Net Assets |
|---------|-------------------------|------------------|-----------------------|-------------------|
| 61,898  | 3,373                   | 65,271           | 17,291                | 1,276,732         |
| 54,819  | 3,374                   | 58,193           | 53,313                | 1,330,045         |
| 63,908  | 3,850                   | 67,758           | (17,281)              | 1,312,764         |
| 65,785  | 4,129                   | 69,914           | 340,611               | 1,653,375         |
| 81,611  | 4,577                   | 86,188           | 237,180               | 1,890,555         |
| 106,678 | 4,919                   | 111,597          | 213,907               | 2,104,462         |
| 130,718 | 5,371                   | 136,089          | 284,094               | 2,388,556         |
| 142,180 | 5,602                   | 147,782          | 215,592               | 2,604,148         |
| 141,904 | 6,104                   | 148,008          | (472,203)             | 2,131,945         |
| 127,675 | 6,341                   | 134,016          | 475,342               | 2,607,287         |
| 15,747  | 558                     | 16,305           | (19,383)              | 215,605           |
| 16,129  | 498                     | 16,627           | (16,087)              | 199,518           |
| 24,498  | 487                     | 24,985           | (27,957)              | 171,561           |
| 17,877  | 470                     | 18,347           | 24,658                | 196,219           |
| 16,937  | 497                     | 17,434           | 17,052                | 213,271           |
| 19,633  | 531                     | 20,164           | 16,760                | 230,031           |
| 18,138  | 570                     | 18,708           | 28,784                | 258,815           |
| 21,489  | 591                     | 22,080           | 18,248                | 277,063           |
| 18,683  | 665                     | 19,348           | (47,594)              | 229,469           |
| 13,349  | 699                     | 14,048           | 54,150                | 283,619           |
| 33      | —                       | 33               | 1,027                 | 1,027             |
| 67      | 6                       | 73               | 2,561                 | 3,588             |
| 192     | 13                      | 205              | 2,748                 | 6,336             |
| 524     | 19                      | 543              | 752                   | 7,088             |
| 445     | 26                      | 471              | 5,160                 | 12,248            |
| 315     | 9                       | 324              | 6,556                 | 6,556             |
| 1,232   | 26                      | 1,258            | 5,872                 | 12,428            |
| 2,592   | 36                      | 2,628            | 5,412                 | 17,840            |
| 2,545   | 46                      | 2,591            | 1,354                 | 19,194            |
| 2,635   | 52                      | 2,687            | 3,277                 | 22,471            |
| 34      | —                       | 34               | 129                   | 129               |
| 126     | 1                       | 127              | 556                   | 685               |
| 288     | 3                       | 291              | 861                   | 1,546             |
| 533     | 6                       | 539              | 1,442                 | 2,988             |
| 77,645  | 3,931                   | 81,576           | (2,092)               | 1,492,337         |
| 70,948  | 3,872                   | 74,820           | 37,226                | 1,529,563         |
| 88,406  | 4,337                   | 92,743           | (45,238)              | 1,484,325         |
| 83,662  | 4,599                   | 88,261           | 365,269               | 1,849,594         |
| 98,548  | 5,074                   | 103,622          | 254,232               | 2,103,826         |
| 126,659 | 5,459                   | 132,118          | 238,250               | 2,342,076         |
| 150,189 | 5,973                   | 156,162          | 321,440               | 2,663,516         |
| 166,579 | 6,243                   | 172,822          | 242,556               | 2,906,072         |
| 163,944 | 6,837                   | 170,781          | (516,830)             | 2,389,242         |
| 144,637 | 7,124                   | 151,761          | 539,371               | 2,928,613         |

## Schedules of Benefit Deductions by Type

Year Ended December 31

*(in thousands)*

| System  | Year | Service and Disability Benefits | Cost-of-Living Benefits | Supplemental Benefits | Total Benefits |
|---|------|---------------------------------|-------------------------|-----------------------|----------------|
| <b>Noncontributory Retirement System</b>              | 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        |
|   | 2005 | 397,759                         | 71,936                  | —                     | 469,695        |
|   | 2006 | 450,659                         | 82,589                  | —                     | 533,248        |
|   | 2007 | 513,917                         | 95,609                  | —                     | 609,526        |
|   | 2008 | 551,391                         | 108,401                 | —                     | 659,792        |
|   | 2009 | 599,456                         | 123,596                 | —                     | 723,052        |
| <b>Contributory Retirement System</b>                 | 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         |
|   | 2005 | 37,508                          | 18,479                  | 1,113                 | 57,100         |
|   | 2006 | 39,635                          | 18,002                  | 909                   | 58,546         |
|   | 2007 | 43,248                          | 17,694                  | 736                   | 61,678         |
|   | 2008 | 44,218                          | 17,309                  | 569                   | 62,096         |
|   | 2009 | 47,319                          | 17,086                  | 444                   | 64,849         |
| <b>Public Safety Retirement System</b>                | 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         |
|   | 2005 | 62,608                          | 10,859                  | 574                   | 74,041         |
|   | 2006 | 69,721                          | 12,237                  | 541                   | 82,499         |
|   | 2007 | 77,605                          | 13,743                  | 516                   | 91,864         |
|   | 2008 | 83,142                          | 15,317                  | 485                   | 98,944         |
|   | 2009 | 88,632                          | 17,186                  | 454                   | 106,272        |
| <b>Firefighters Retirement System</b>                 | 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         |
|   | 2005 | 21,405                          | 5,252                   | 612                   | 27,269         |
|   | 2006 | 23,122                          | 5,806                   | 569                   | 29,497         |
|   | 2007 | 26,952                          | 6,461                   | 523                   | 33,936         |
|   | 2008 | 27,792                          | 7,093                   | 470                   | 35,355         |
|   | 2009 | 30,097                          | 7,792                   | 422                   | 38,311         |
| <b>Judges Retirement System</b>                       | 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          |
|   | 2005 | 3,784                           | 971                     | —                     | 4,755          |
|   | 2006 | 4,167                           | 1,084                   | —                     | 5,251          |
|   | 2007 | 5,105                           | 1,230                   | —                     | 6,335          |
|   | 2008 | 5,201                           | 1,379                   | —                     | 6,580          |
|   | 2009 | 6,046                           | 1,549                   | —                     | 7,595          |
| <b>Utah Governors and Legislators Retirement Plan</b> | 2000 | \$ 520                          | 142                     | —                     | 662            |
|   | 2001 | 547                             | 144                     | —                     | 691            |
|   | 2002 | 556                             | 152                     | —                     | 708            |
|   | 2003 | 572                             | 154                     | —                     | 726            |
|   | 2004 | 559                             | 153                     | —                     | 712            |
|   | 2005 | 595                             | 160                     | —                     | 755            |
|   | 2006 | 594                             | 164                     | —                     | 758            |
|   | 2007 | 596                             | 162                     | —                     | 758            |
|   | 2008 | 606                             | 157                     | —                     | 763            |
|   | 2009 | 619                             | 165                     | —                     | 784            |

# Schedules of Retired Members by Type of Benefit Option

Year Ended December 31, 2009

| System   | Amount of Monthly Benefit | Number of Retirees by Benefit Option |     |       |     |       |     |    |       |     |
|--|---------------------------|--------------------------------------|-----|-------|-----|-------|-----|----|-------|-----|
|  |                           | 1                                    | 2   | 3     | 4   | 5     | 6   | 7  | 8     | 9   |
| <b>Noncontributory Retirement System</b>               | \$1-1,000                 | 6,643                                | 737 | 1,655 | 233 | 2,235 | 702 | —  | —     | —   |
|  | 1,001-2,000               | 3,165                                | 626 | 1,419 | 226 | 1,802 | 733 | —  | —     | —   |
|  | 2,001-3,000               | 2,410                                | 551 | 1,714 | 275 | 2,198 | 761 | —  | —     | —   |
|  | 3,001-4,000               | 1,256                                | 311 | 1,057 | 187 | 962   | 365 | —  | —     | —   |
|  | 4,001-5,000               | 319                                  | 69  | 403   | 82  | 248   | 104 | —  | —     | —   |
|  | over-5,000                | 128                                  | 34  | 164   | 29  | 67    | 31  | —  | —     | —   |
| <b>Contributory Retirement System</b>                  | \$1-1,000                 | 1,562                                | 640 | 284   | 52  | 285   | 116 | —  | —     | —   |
|  | 1,001-2,000               | 599                                  | 242 | 218   | 64  | 213   | 75  | —  | —     | —   |
|  | 2,001-3,000               | 147                                  | 70  | 89    | 19  | 96    | 30  | —  | —     | —   |
|  | 3,001-4,000               | 45                                   | 21  | 25    | 5   | 23    | 16  | —  | —     | —   |
|  | 4,001-5,000               | 7                                    | 8   | 7     | —   | 4     | 1   | —  | —     | —   |
|  | over-5,000                | 1                                    | 1   | 4     | —   | 1     | 1   | —  | —     | —   |
| <b>Public Safety Retirement System</b>                 | \$1-1,000                 | —                                    | —   | —     | —   | —     | —   | —  | 351   | 89  |
|  | 1,001-2,000               | —                                    | —   | —     | —   | —     | —   | —  | 792   | 211 |
|  | 2,001-3,000               | —                                    | —   | —     | —   | —     | —   | —  | 1,279 | 253 |
|  | 3,001-4,000               | —                                    | —   | —     | —   | —     | —   | —  | 497   | 95  |
|  | 4,001-5,000               | —                                    | —   | —     | —   | —     | —   | —  | 161   | 39  |
|  | over-5,000                | —                                    | —   | —     | —   | —     | —   | —  | 53    | 11  |
| <b>Firefighters Retirement System</b>                  | \$1-1,000                 | —                                    | —   | —     | —   | —     | —   | —  | 39    | —   |
|  | 1,001-2,000               | —                                    | —   | —     | —   | —     | —   | —  | 164   | —   |
|  | 2,001-3,000               | —                                    | —   | —     | —   | —     | —   | —  | 401   | —   |
|  | 3,001-4,000               | —                                    | —   | —     | —   | —     | —   | —  | 362   | —   |
|  | 4,001-5,000               | —                                    | —   | —     | —   | —     | —   | —  | 118   | —   |
|  | over-5,000                | —                                    | —   | —     | —   | —     | —   | —  | 28    | —   |
| <b>Judges Retirement System</b>                        | \$1-1,000                 | —                                    | —   | —     | —   | —     | —   | 9  | —     | 10  |
|  | 1,001-2,000               | —                                    | —   | —     | —   | —     | —   | —  | —     | —   |
|  | 2,001-3,000               | —                                    | —   | —     | —   | —     | —   | 1  | —     | 1   |
|  | 3,001-4,000               | —                                    | —   | —     | —   | —     | —   | 3  | —     | 1   |
|  | 4,001-5,000               | —                                    | —   | —     | —   | —     | —   | 1  | —     | —   |
|  | over-5,000                | —                                    | —   | —     | —   | —     | —   | 41 | —     | 40  |
| <b>Utah Governors and Legislators Retirement Plan*</b> | \$1-1,000                 | —                                    | —   | —     | 220 | —     | —   | —  | —     | —   |
|  | 1,001-2,000               | —                                    | —   | —     | 3   | —     | —   | —  | —     | —   |
|  | 2,001-3,000               | —                                    | —   | —     | 1   | —     | —   | —  | —     | —   |
|  | 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 65% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.

9- Reduced retirement benefit for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retirement.

\* Utah Governors and Legislators Retirement Plan provides a normal lifetime pension to the retiree and 50% of the retiree's benefit to the retiree's lawful spouse at the time of death if the retiree had four or more years of service.

# Schedules of Average Benefit Payments

December 31

| System                                   |      |                              | Years of Credited Service |       |       |       |       |       |
|--|------|------------------------------|---------------------------|-------|-------|-------|-------|-------|
|  |      |                              | 4-10                      | 10-15 | 15-20 | 20-25 | 25-30 | 30+   |
| <b>Noncontributory Retirement System</b> | 2005 | Average Monthly Benefit      | \$ 324                    | 707   | 1,145 | 1,495 | 2,508 | 3,182 |
|  |      | Monthly Final Average Salary | 2,095                     | 2,640 | 3,158 | 3,422 | 4,200 | 4,605 |
|  |      | Number of Active Retired     | 316                       | 276   | 328   | 226   | 615   | 451   |
|  | 2006 | Average Monthly Benefit      | \$ 366                    | 717   | 1,054 | 1,388 | 2,455 | 3,071 |
|  |      | Monthly Final Average Salary | 2,362                     | 2,844 | 3,169 | 3,420 | 4,342 | 4,806 |
|  |      | Number of Active Retired     | 346                       | 298   | 407   | 299   | 834   | 544   |
|  | 2007 | Average Monthly Benefit      | \$ 350                    | 674   | 1,100 | 1,433 | 2,461 | 3,136 |
|  |      | Monthly Final Average Salary | 2,334                     | 2,754 | 3,289 | 3,601 | 4,532 | 5,100 |
|  |      | Number of Active Retired     | 408                       | 248   | 362   | 226   | 582   | 305   |
|  | 2008 | Average Monthly Benefit      | \$ 321                    | 760   | 1,093 | 1,504 | 2,509 | 3,159 |
|  |      | Monthly Final Average Salary | 2,194                     | 3,052 | 3,403 | 3,801 | 4,599 | 5,080 |
|  |      | Number of Active Retired     | 361                       | 268   | 339   | 265   | 527   | 322   |
|  | 2009 | Average Monthly Benefit      | \$ 325                    | 687   | 1,126 | 1,465 | 2,536 | 3,327 |
|  |      | Monthly Final Average Salary | 2,427                     | 2,949 | 3,557 | 3,752 | 4,727 | 5,419 |
|  |      | Number of Active Retired     | 472                       | 309   | 401   | 350   | 565   | 443   |
| <b>Contributory Retirement System</b>    | 2005 | Average Monthly Benefit      | \$ 295                    | 587   | 985   | 1,235 | 2,042 | 2,109 |
|  |      | Monthly Final Average Salary | 1,906                     | 2,341 | 2,674 | 2,697 | 3,541 | 3,468 |
|  |      | Number of Active Retired     | 7                         | 6     | 35    | 33    | 76    | 22    |
|  | 2006 | Average Monthly Benefit      | \$ —                      | 428   | 862   | 1,068 | 2,114 | 2,408 |
|  |      | Monthly Final Average Salary | —                         | 1,687 | 2,519 | 2,560 | 3,682 | 4,134 |
|  |      | Number of Active Retired     | —                         | 13    | 18    | 49    | 85    | 22    |
|  | 2007 | Average Monthly Benefit      | \$ 270                    | 523   | 723   | 1,138 | 2,257 | 2,769 |
|  |      | Monthly Final Average Salary | 2,096                     | 2,184 | 2,281 | 3,007 | 3,974 | 4,455 |
|  |      | Number of Active Retired     | 5                         | 14    | 18    | 56    | 78    | 26    |
|  | 2008 | Average Monthly Benefit      | \$ 330                    | 453   | 1,141 | 1,228 | 2,043 | 2,322 |
|  |      | Monthly Final Average Salary | 2,276                     | 1,367 | 3,734 | 2,964 | 3,625 | 4,049 |
|  |      | Number of Active Retired     | 6                         | 7     | 10    | 43    | 71    | 14    |
|  | 2009 | Average Monthly Benefit      | \$ 774                    | 466   | 1,033 | 1,157 | 1,983 | 2,807 |
|  |      | Monthly Final Average Salary | 2,852                     | 2,040 | 3,208 | 3,043 | 3,741 | 4,829 |
|  |      | Number of Active Retired     | 5                         | 13    | 8     | 28    | 92    | 35    |
| <b>Public Safety Retirement System</b>   | 2005 | Average Monthly Benefit      | \$ 445                    | 1,229 | 2,175 | 2,986 | 3,720 | 3,256 |
|  |      | Monthly Final Average Salary | 2,642                     | 3,249 | 4,094 | 4,546 | 4,779 | 4,346 |
|  |      | Number of Active Retired     | 6                         | 7     | 96    | 76    | 49    | 19    |
|  | 2006 | Average Monthly Benefit      | \$ 615                    | 1,259 | 1,968 | 2,703 | 3,318 | 3,311 |
|  |      | Monthly Final Average Salary | 2,623                     | 3,363 | 4,011 | 4,419 | 4,981 | 4,745 |
|  |      | Number of Active Retired     | 4                         | 14    | 77    | 75    | 25    | 17    |
|  | 2007 | Average Monthly Benefit      | \$ 807                    | 1,116 | 2,124 | 2,541 | 3,351 | 3,657 |
|  |      | Monthly Final Average Salary | 3,252                     | 3,371 | 4,167 | 4,839 | 5,259 | 5,401 |
|  |      | Number of Active Retired     | 13                        | 16    | 69    | 51    | 26    | 15    |
|  | 2008 | Average Monthly Benefit      | \$ 945                    | 1,124 | 2,099 | 2,668 | 3,358 | 4,333 |
|  |      | Monthly Final Average Salary | 2,934                     | 3,643 | 4,458 | 4,789 | 5,136 | 5,328 |
|  |      | Number of Active Retired     | 5                         | 8     | 97    | 57    | 22    | 8     |
|  | 2009 | Average Monthly Benefit      | \$ 972                    | 1,115 | 2,288 | 2,498 | 3,526 | 4,080 |
|  |      | Monthly Final Average Salary | 3,996                     | 3,792 | 4,812 | 4,696 | 5,429 | 5,823 |
|  |      | Number of Active Retired     | 7                         | 10    | 75    | 36    | 21    | 21    |

## Schedules of Average Benefit Payments (Continued)

December 31

| System  |      |                              | Years of Credited Service |        |        |        |        |        |
|---|------|------------------------------|---------------------------|--------|--------|--------|--------|--------|
|   |      |                              | 4-10                      | 10-15  | 15-20  | 20-25  | 25-30  | 30+    |
| <b>Firefighters Retirement System</b>                 | 2005 | Average Monthly Benefit      | \$ 1,578                  | 2,014  | 2,784  | 3,281  | 3,662  | 3,539  |
|   |      | Monthly Final Average Salary | 3,614                     | 4,028  | 5,029  | 5,721  | 5,359  | 5,056  |
|   |      | Number of Active Retired     | 5                         | 2      | 11     | 11     | 18     | 6      |
|   | 2006 | Average Monthly Benefit      | \$ 1,856                  | 1,032  | 2,367  | 2,772  | 4,141  | 3,832  |
|   |      | Monthly Final Average Salary | 3,712                     | 3,305  | 4,765  | 5,099  | 4,947  | 5,533  |
|   |      | Number of Active Retired     | 4                         | 2      | 7      | 10     | 10     | 11     |
|   | 2007 | Average Monthly Benefit      | \$ 1,523                  | —      | 2,417  | 2,857  | 3,643  | 3,533  |
|   |      | Monthly Final Average Salary | 3,047                     | —      | 5,111  | 5,380  | 5,759  | 5,492  |
|   |      | Number of Active Retired     | 3                         | —      | 6      | 15     | 15     | 14     |
|   | 2008 | Average Monthly Benefit      | \$ 1,852                  | 2,582  | 2,581  | 2,893  | 3,808  | 3,814  |
|   |      | Monthly Final Average Salary | 3,704                     | 5,164  | 5,372  | 5,347  | 5,930  | 5,631  |
|   |      | Number of Active Retired     | 2                         | 1      | 7      | 6      | 9      | 8      |
|   | 2009 | Average Monthly Benefit      | \$ 2,416                  | 2,036  | 2,230  | 3,028  | 3,534  | 4,891  |
|   |      | Monthly Final Average Salary | 4,833                     | 5,281  | 4,555  | 553    | 5,796  | 7,267  |
|   |      | Number of Active Retired     | 2                         | 1      | 2      | 8      | 12     | 13     |
| <b>Judges Retirement System</b>                       | 2005 | Average Monthly Benefit      | \$ —                      | 5,349  | 6,467  | 6,377  | —      | —      |
|   |      | Monthly Final Average Salary | —                         | 8,556  | 9,002  | 8,701  | —      | —      |
|   |      | Number of Active Retired     | —                         | 1      | 2      | 2      | —      | —      |
|   | 2006 | Average Monthly Benefit      | \$ —                      | —      | 6,365  | —      | —      | 8,395  |
|   |      | Monthly Final Average Salary | —                         | —      | 8,860  | —      | —      | 8,995  |
|   |      | Number of Active Retired     | —                         | —      | 1      | —      | —      | 2      |
|   | 2007 | Average Monthly Benefit      | \$ —                      | —      | 5,927  | 7,142  | 6,979  | 8,731  |
|   |      | Monthly Final Average Salary | —                         | —      | 9,518  | 9,202  | 9,202  | 9,257  |
|   |      | Number of Active Retired     | —                         | —      | 1      | 2      | 3      | 1      |
|   | 2008 | Average Monthly Benefit      | \$ 4,338                  | —      | —      | 6,634  | —      | —      |
|   |      | Monthly Final Average Salary | 9,171                     | —      | —      | 10,321 | —      | —      |
|   |      | Number of Active Retired     | 2                         | —      | —      | 1      | —      | —      |
|   | 2009 | Average Monthly Benefit      | \$ 3,562                  | 5,879  | 6,961  | 7,556  | 8,511  | 8,100  |
|   |      | Monthly Final Average Salary | 7,227                     | 10,750 | 10,774 | 10,445 | 10,932 | 10,644 |
|   |      | Number of Active Retired     | 1                         | 1      | 1      | 3      | 1      | 3      |
| <b>Utah Governors and Legislators Retirement Plan</b> | 2005 | Average Monthly Benefit      | \$ 202                    | 302    | 520    | 624    | —      | —      |
|   |      | Monthly Final Average Salary | —                         | —      | —      | —      | —      | —      |
|   |      | Number of Active Retired     | 9                         | 1      | 1      | 1      | —      | —      |
|   | 2006 | Average Monthly Benefit      | \$ 171                    | 284    | —      | —      | —      | —      |
|   |      | Monthly Final Average Salary | —                         | —      | —      | —      | —      | —      |
|   |      | Number of Active Retired     | 2                         | 1      | —      | —      | —      | —      |
|   | 2007 | Average Monthly Benefit      | \$ 138                    | 282    | 520    | —      | —      | —      |
|   |      | Monthly Final Average Salary | —                         | —      | —      | —      | —      | —      |
|   |      | Number of Active Retired     | 4                         | 1      | 1      | —      | —      | —      |
|   | 2008 | Average Monthly Benefit      | \$ 191                    | 362    | 433    | 549    | —      | —      |
|   |      | Monthly Final Average Salary | —                         | —      | —      | —      | —      | —      |
|   |      | Number of Active Retired     | 3                         | 3      | 1      | 1      | —      | —      |
|   | 2009 | Average Monthly Benefit      | \$ 212                    | —      | —      | —      | —      | —      |
|   |      | Monthly Final Average Salary | —                         | —      | —      | —      | —      | —      |
|   |      | Number of Active Retired     | 5                         | —      | —      | —      | —      | —      |

## Schedules of Active Members by Age and Gender

Year Ended December 31, 2009

| System                                   | Ages         | Male   | Female | Total  |
|--|--------------|--------|--------|--------|
| <b>Noncontributory Retirement System</b> | Under 20     | 171    | 772    | 943    |
|  | 20 to 29     | 4,016  | 8,686  | 12,702 |
|  | 30 to 39     | 8,105  | 11,620 | 19,725 |
|  | 40 to 49     | 7,929  | 14,405 | 22,334 |
|  | 50 to 54     | 4,460  | 9,224  | 13,684 |
|  | 55 to 59     | 4,027  | 8,726  | 12,753 |
|  | 60 to 69     | 3,515  | 6,506  | 10,021 |
|  | 70 and Older | 324    | 280    | 604    |
| Total                                    | 32,547       | 60,219 | 92,766 |        |

|                                       |              |       |       |     |
|---------------------------------------|--------------|-------|-------|-----|
| <b>Contributory Retirement System</b> | Under 20     | 6     | 7     | 13  |
|                                       | 20 to 29     | 50    | 74    | 124 |
|                                       | 30 to 39     | 96    | 78    | 174 |
|                                       | 40 to 49     | 260   | 246   | 506 |
|                                       | 50 to 54     | 278   | 309   | 587 |
|                                       | 55 to 59     | 295   | 335   | 630 |
|                                       | 60 to 69     | 208   | 253   | 461 |
|                                       | 70 and Older | 12    | 8     | 20  |
| Total                                 | 1,205        | 1,310 | 2,515 |     |

|  |              |       |       |       |
|--|--------------|-------|-------|-------|
| <b>Public Safety Retirement System</b> | Under 20     | 1     | 1     | 2     |
|  | 20 to 29     | 1,231 | 126   | 1,357 |
|  | 30 to 39     | 2,825 | 374   | 3,199 |
|  | 40 to 49     | 1,753 | 273   | 2,026 |
|  | 50 to 54     | 440   | 94    | 534   |
|  | 55 to 59     | 300   | 59    | 359   |
|  | 60 to 69     | 185   | 26    | 211   |
|  | 70 and Older | 6     | 1     | 7     |
| Total                                  | 6,741        | 954   | 7,695 |       |

| System                                | Ages         | Male | Female | Total |
|---------------------------------------|--------------|------|--------|-------|
| <b>Firefighters Retirement System</b> | Under 20     | —    | 1      | 1     |
|                                       | 20 to 29     | 296  | 18     | 314   |
|                                       | 30 to 39     | 769  | 25     | 794   |
|                                       | 40 to 49     | 473  | 18     | 491   |
|                                       | 50 to 54     | 156  | —      | 156   |
|                                       | 55 to 59     | 110  | 2      | 112   |
|                                       | 60 to 69     | 38   | —      | 38    |
|                                       | 70 and Older | 1    | —      | 1     |
| Total                                 | 1,843        | 64   | 1,907  |       |

|                                 |              |    |     |    |
|---------------------------------|--------------|----|-----|----|
| <b>Judges Retirement System</b> | Under 20     | —  | —   | —  |
|                                 | 20 to 29     | —  | —   | —  |
|                                 | 30 to 39     | —  | 2   | 2  |
|                                 | 40 to 49     | 12 | 5   | 17 |
|                                 | 50 to 54     | 12 | 4   | 16 |
|                                 | 55 to 59     | 29 | 8   | 37 |
|                                 | 60 to 69     | 28 | 4   | 32 |
|                                 | 70 and Older | —  | —   | —  |
| Total                           | 81           | 23 | 104 |    |

|   |              |    |     |    |
|---|--------------|----|-----|----|
| <b>Utah Governors and Legislators Retirement Plan</b> | Under 20     | —  | —   | —  |
|   | 20 to 29     | —  | —   | —  |
|   | 30 to 39     | 9  | 1   | 10 |
|   | 40 to 49     | 21 | 8   | 29 |
|   | 50 to 54     | 16 | 3   | 19 |
|   | 55 to 59     | 21 | 8   | 29 |
|   | 60 to 69     | 25 | 5   | 30 |
|   | 70 and Older | 1  | 1   | 2  |
| Total   | 93           | 26 | 119 |    |



## Schedules of Retirees by Age and Gender

Year Ended December 31, 2009

| System                                   | Ages      | Male   | Female | Total  |
|--|-----------|--------|--------|--------|
| <b>Noncontributory Retirement System</b> | Under 55  | 307    | 452    | 759    |
|  | 55 to 59  | 849    | 994    | 1,843  |
|  | 60 to 64  | 2,177  | 2,929  | 5,106  |
|  | 65 to 69  | 3,315  | 5,298  | 8,613  |
|  | 70 to 74  | 2,889  | 4,359  | 7,248  |
|  | 75 to 79  | 2,327  | 3,222  | 5,549  |
|  | 80 to 84  | 1,465  | 2,104  | 3,569  |
|  | 85 to 89  | 445    | 664    | 1,109  |
|  | 90 to 94  | 36     | 65     | 101    |
|  | 95 to 100 | 1      | 3      | 4      |
|  | Over 100  | —      | —      | —      |
| Total                                    |           | 13,811 | 20,090 | 33,901 |
| <b>Contributory Retirement System</b>    | Under 55  | 49     | 51     | 100    |
|  | 55 to 59  | 79     | 84     | 163    |
|  | 60 to 64  | 142    | 219    | 361    |
|  | 65 to 69  | 179    | 332    | 511    |
|  | 70 to 74  | 139    | 316    | 455    |
|  | 75 to 79  | 128    | 285    | 413    |
|  | 80 to 84  | 222    | 515    | 737    |
|  | 85 to 89  | 373    | 847    | 1,220  |
|  | 90 to 94  | 225    | 580    | 805    |
|  | 95 to 100 | 34     | 164    | 198    |
|  | Over 100  | 2      | 6      | 8      |
| Total                                    |           | 1,572  | 3,399  | 4,971  |
| <b>Public Safety Retirement System</b>   | Under 55  | 587    | 192    | 779    |
|  | 55 to 59  | 541    | 128    | 669    |
|  | 60 to 64  | 670    | 121    | 791    |
|  | 65 to 69  | 459    | 121    | 580    |
|  | 70 to 74  | 335    | 98     | 433    |
|  | 75 to 79  | 197    | 99     | 296    |
|  | 80 to 84  | 95     | 62     | 157    |
|  | 85 to 89  | 40     | 50     | 90     |
|  | 90 to 94  | 12     | 19     | 31     |
|  | 95 to 100 | 1      | 3      | 4      |
|  | Over 100  | —      | 1      | 1      |
| Total                                    |           | 2,937  | 894    | 3,831  |

| System  | Ages      | Male | Female | Total |
|---|-----------|------|--------|-------|
| <b>Firefighters Retirement System</b>                 | Under 55  | 138  | 43     | 181   |
|   | 55 to 59  | 162  | 20     | 182   |
|   | 60 to 64  | 185  | 27     | 212   |
|   | 65 to 69  | 160  | 26     | 186   |
|   | 70 to 74  | 107  | 22     | 129   |
|   | 75 to 79  | 54   | 27     | 81    |
|   | 80 to 84  | 51   | 32     | 83    |
|   | 85 to 89  | 18   | 21     | 39    |
|   | 90 to 94  | 4    | 13     | 17    |
|   | 95 to 100 | —    | 2      | 2     |
|   | Over 100  | —    | —      | —     |
| Total   |           | 879  | 233    | 1,112 |
| <b>Judges Retirement System</b>                       | Under 55  | —    | —      | —     |
|   | 55 to 59  | 2    | —      | 2     |
|   | 60 to 64  | 12   | 3      | 15    |
|   | 65 to 69  | 12   | 3      | 15    |
|   | 70 to 74  | 14   | 4      | 18    |
|   | 75 to 79  | 10   | 6      | 16    |
|   | 80 to 84  | 13   | 9      | 22    |
|   | 85 to 89  | 5    | 7      | 12    |
|   | 90 to 94  | 2    | 5      | 7     |
|   | 95 to 100 | —    | —      | —     |
|   | Over 100  | —    | —      | —     |
| Total   |           | 70   | 37     | 107   |
| <b>Utah Governors and Legislators Retirement Plan</b> | Under 55  | —    | 2      | 2     |
|   | 55 to 59  | —    | 2      | 2     |
|   | 60 to 64  | 5    | 2      | 7     |
|   | 65 to 69  | 15   | 8      | 23    |
|   | 70 to 74  | 31   | 10     | 41    |
|   | 75 to 79  | 32   | 21     | 53    |
|   | 80 to 84  | 24   | 23     | 47    |
|   | 85 to 89  | 22   | 9      | 31    |
|   | 90 to 94  | 6    | 8      | 14    |
|   | 95 to 100 | —    | 4      | 4     |
|   | Over 100  | —    | —      | —     |
| Total   |           | 135  | 89     | 224   |

# Schedules of Principal Participating Employers

Year Ended December 31

| Employer                                 | 2009           |          |                                | 2008           |          |                                 | 2007           |          |                                 | 2006           |          |                                 |
|--|----------------|----------|--------------------------------|----------------|----------|---------------------------------|----------------|----------|---------------------------------|----------------|----------|---------------------------------|
|  | Active Members | Rank     | Percent of Total Active Member | Active Members | Rank     | Percent of Total Active Members | Active Members | Rank     | Percent of Total Active Members | Active Members | Rank     | Percent of Total Active Members |
| <b>Noncontributory Retirement System</b> |                |          |                                |                |          |                                 |                |          |                                 |                |          |                                 |
| State of Utah                            | 16,435         | 1        | 16.99%                         | 16,979         | 1        | 18.14%                          | 16,948         | 1        | 18.91%                          | 16,664         | 1        | 19.11%                          |
| Granite School District                  | 6,148          | 2        | 6.36                           | 6,130          | 2        | 6.55                            | 5,922          | 2        | 6.61                            | 5,363          | 3        | 6.15                            |
| Alpine School District                   | 5,487          | 3        | 5.67                           | 5,354          | 5        | 5.72                            | 4,910          | 5        | 5.48                            | 4,697          | 5        | 5.39                            |
| Davis School District                    | 5,433          | 4        | 5.62                           | 5,501          | 4        | 5.88                            | 5,391          | 4        | 6.02                            | 5,187          | 4        | 5.95                            |
| University of Utah                       | 4,274          | 5        | 4.42                           | 4,406          | 6        | 4.71                            | 4,453          | 6        | 4.97                            | 4,480          | 6        | 5.14                            |
| Jordan School District                   | 3,560          | 6        | 3.68                           | 5,819          | 3        | 6.22                            | 5,705          | 3        | 6.37                            | 5,448          | 2        | 6.25                            |
| Salt Lake County                         | 2,968          | 7        | 3.07                           | 3,084          | 7        | 3.30                            | 2,981          | 7        | 3.33                            | 2,909          | 7        | 3.34                            |
| Weber School District                    | 2,875          | 8        | 2.97                           | 2,859          | 9        | 3.06                            | 2,793          | 9        | 3.12                            | 2,670          | 9        | 3.06                            |
| Salt Lake School District                | 2,842          | 9        | 2.94                           | 2,950          | 8        | 3.15                            | 2,805          | 8        | 3.13                            | 2,689          | 8        | 3.08                            |
| Canyons School District                  | 2,572          | 10       | 2.66                           | —              | —        | —                               | —              | —        | —                               | —              | —        | —                               |
| Nebo School District                     | —              | —        | —                              | 2,465          | 10       | 2.63                            | 2,330          | 10       | 2.60                            | 2,917          | 10       | 3.34                            |
| Other                                    | 40,172         | —        | 45.92                          | 38,029         | —        | 40.64                           | 35,367         | —        | 39.47                           | 34,195         | —        | 39.21                           |
| <b>Total</b>                             | <b>92,766</b>  | <b>—</b> | <b>100.00%</b>                 | <b>93,576</b>  | <b>—</b> | <b>100.00%</b>                  | <b>89,605</b>  | <b>—</b> | <b>100.00%</b>                  | <b>87,219</b>  | <b>—</b> | <b>100.00%</b>                  |
| <b>Contributory Retirement System</b>    |                |          |                                |                |          |                                 |                |          |                                 |                |          |                                 |
| State of Utah                            | 387            | 1        | 15.38%                         | 435            | 1        | 15.86%                          | 473            | 1        | 16.58%                          | 508            | 1        | 16.88%                          |
| South Jordan City                        | 208            | 2        | 8.26                           | 212            | 2        | 7.73                            | 207            | 2        | 7.26                            | 216            | 2        | 7.18                            |
| Uintah County                            | 193            | 3        | 7.67                           | 191            | 4        | 6.96                            | 188            | 4        | 6.59                            | 185            | 4        | 6.15                            |
| University of Utah                       | 178            | 4        | 7.07                           | 195            | 3        | 7.11                            | 207            | 3        | 7.26                            | 214            | 3        | 7.11                            |
| Granite School District                  | 131            | 5        | 5.20                           | 141            | 5        | 5.14                            | 150            | 5        | 5.26                            | 162            | 5        | 5.38                            |
| Salt Lake City Corp.                     | 128            | 6        | 5.09                           | 137            | 6        | 4.99                            | 144            | 6        | 5.05                            | 156            | 6        | 5.18                            |
| Duchesne County                          | 90             | 7        | 3.58                           | 87             | 7        | 3.28                            | 85             | 8        | 2.98                            | 79             | 10       | 2.62                            |
| DDI Vantage                              | 82             | 8        | 3.26                           | 76             | 10       | 2.77                            | —              | —        | —                               | —              | —        | —                               |
| Salt Lake County                         | 80             | 9        | 3.18                           | 90             | 8        | 3.17                            | 97             | 7        | 3.40                            | 107            | 7        | 3.55                            |
| Salt Lake School District                | 67             | 10       | 2.66                           | —              | —        | —                               | 78             | 10       | 2.73                            | 83             | 9        | 2.76                            |
| Jordan School District                   | —              | —        | —                              | 76             | 9        | 2.77                            | 82             | 9        | 2.88                            | 86             | 8        | 2.86                            |
| Other                                    | 971            | —        | 38.66                          | 1,103          | —        | 40.21                           | 1,141          | —        | 40.01                           | 1,214          | —        | 40.33                           |
| <b>Total</b>                             | <b>2,515</b>   | <b>—</b> | <b>100.00%</b>                 | <b>2,743</b>   | <b>—</b> | <b>100.00%</b>                  | <b>2,852</b>   | <b>—</b> | <b>100.00%</b>                  | <b>3,010</b>   | <b>—</b> | <b>100.00%</b>                  |
| <b>Public Safety Retirement System</b>   |                |          |                                |                |          |                                 |                |          |                                 |                |          |                                 |
| State of Utah                            | 2,448          | 1        | 31.82%                         | 2,592          | 1        | 32.84%                          | 2,444          | 1        | 32.21%                          | 2,468          | 1        | 33.02%                          |
| Salt Lake County                         | 828            | 2        | 10.76                          | 860            | 2        | 10.89                           | 783            | 2        | 10.32                           | 763            | 2        | 10.21                           |
| Salt Lake City Corp.                     | 480            | 3        | 6.24                           | 479            | 3        | 6.07                            | 472            | 3        | 6.22                            | 448            | 3        | 5.99                            |
| Weber County Corp.                       | 252            | 4        | 3.28                           | 266            | 4        | 3.37                            | 275            | 4        | 3.62                            | 291            | 4        | 3.89                            |
| Utah County                              | 238            | 5        | 3.09                           | 244            | 5        | 3.09                            | 233            | 5        | 3.07                            | 223            | 5        | 2.98                            |
| Davis County                             | 209            | 6        | 2.72                           | 208            | 6        | 2.63                            | 206            | 6        | 2.72                            | 199            | 6        | 2.66                            |
| West Valley City                         | 175            | 7        | 2.27                           | 176            | 7        | 2.23                            | 169            | 7        | 2.23                            | 159            | 7        | 2.13                            |
| Washington County                        | 123            | 8        | 1.60                           | 120            | 9        | 1.52                            | 113            | 9        | 1.49                            | 107            | 10       | 1.43                            |
| Ogden City Corp.                         | 117            | 9        | 1.52                           | 122            | 8        | 1.55                            | 122            | 8        | 1.61                            | 114            | 8        | 1.53                            |
| Sandy City                               | 109            | 10       | 1.42                           | 115            | 10       | 1.46                            | 108            | 10       | 1.42                            | 109            | 9        | 1.46                            |
| Other                                    | 2,716          | —        | 35.28                          | 2,712          | —        | 34.36                           | 2,662          | —        | 35.09                           | 2,593          | —        | 34.69                           |
| <b>Total</b>                             | <b>7,695</b>   | <b>—</b> | <b>100.00%</b>                 | <b>7,894</b>   | <b>—</b> | <b>100.00%</b>                  | <b>7,587</b>   | <b>—</b> | <b>100.00%</b>                  | <b>7,474</b>   | <b>—</b> | <b>100.00%</b>                  |

Additional information will be added when it becomes available.

## Schedules of Principal Participating Employers (Continued)

Year Ended December 31, 2009

| Employer  | 2009           |      |                                | 2008           |      |                                 | 2007           |      |                                 | 2006           |      |                                 |
|---|----------------|------|--------------------------------|----------------|------|---------------------------------|----------------|------|---------------------------------|----------------|------|---------------------------------|
|   | Active Members | Rank | Percent of Total Active Member | Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members | Active Members | Rank | Percent of Total Active Members |
| <b>Firefighters Retirement System</b>                 |                |      |                                |                |      |                                 |                |      |                                 |                |      |                                 |
| Unified Fire Authority                                | 365            | 1    | 19.14%                         | 352            | 1    | 19.04%                          | 344            | 1    | 19.42%                          | 229            | 2    | 13.60%                          |
| Salt Lake City Corp.                                  | 309            | 2    | 16.20                          | 324            | 2    | 17.52                           | 322            | 2    | 18.18                           | 330            | 1    | 19.60                           |
| Ogden City Corp.                                      | 113            | 3    | 5.93                           | 111            | 3    | 6.00                            | 110            | 3    | 6.21                            | 106            | 3    | 6.29                            |
| West Valley City                                      | 97             | 4    | 5.09                           | 97             | 4    | 5.25                            | 92             | 4    | 5.19                            | 88             | 4    | 5.23                            |
| Park City Fire Service                                | 80             | 5    | 4.19                           | 80             | 5    | 4.33                            | 81             | 5    | 4.57                            | 75             | 6    | 4.45                            |
| Provo City Corp.                                      | 76             | 6    | 3.98                           | 75             | 6    | 4.06                            | 74             | 6    | 4.18                            | 77             | 5    | 4.57                            |
| Sandy City  | 72             | 7    | 3.78                           | 75             | 7    | 4.06                            | 73             | 7    | 4.12                            | 72             | 8    | 4.28                            |
| City of West Jordan                                   | 70             | 8    | 3.67                           | 72             | 8    | 3.89                            | 70             | 8    | 3.95                            | 73             | 7    | 4.33                            |
| Orem City   | 69             | 9    | 3.62                           | 66             | 9    | 3.57                            | 58             | 9    | 3.27                            | 54             | 9    | 3.21                            |
| Murray City   | 59             | 10   | 3.09                           | —              | —    | —                               | —              | —    | —                               | 51             | 10   | 3.03                            |
| Weber Fire District                                   | —              | —    | —                              | 55             | 10   | 2.97                            | —              | —    | —                               | —              | —    | —                               |
| South Davis Metro Fire Agency                         | —              | —    | —                              | —              | —    | —                               | 52             | 10   | 2.94                            | —              | —    | —                               |
| Other   | 597            |      | 31.31                          | 542            |      | 29.31                           | 495            |      | 27.95                           | 758            |      | 45.01                           |
| <b>Total</b>  | <b>1,907</b>   |      | <b>100.00%</b>                 | <b>1,849</b>   |      | <b>100.00%</b>                  | <b>1,771</b>   |      | <b>100.00%</b>                  | <b>1,684</b>   |      | <b>100.00%</b>                  |
| <b>Judges Retirement System</b>                       |                |      |                                |                |      |                                 |                |      |                                 |                |      |                                 |
| State of Utah   | 104            | 1    | 100.00%                        | 106            | 1    | 100.00%                         | 108            | 1    | 100.00%                         | 106            | 1    | 100.00%                         |
| <b>Utah Governors and Legislators Retirement Plan</b> |                |      |                                |                |      |                                 |                |      |                                 |                |      |                                 |
| State of Utah   | 119            | 1    | 100.00%                        | 97             | 1    | 100.00%                         | 97             | 1    | 100.00%                         | 105            | 1    | 100.00%                         |

Additional information will be added when it becomes available.

## Schedules of Utah Retirement Office Employees

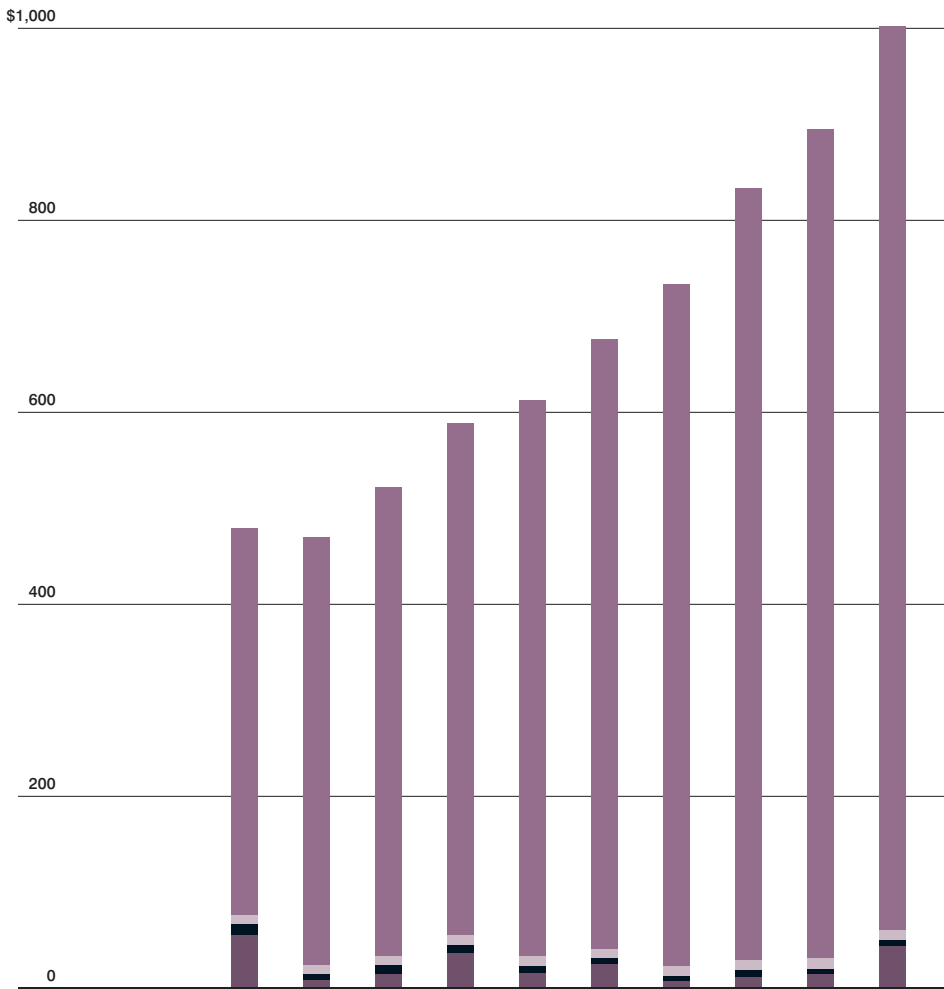
Year Ended December 31, 2009

| Year                | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------------------|------|------|------|------|------|------|------|------|------|------|
| Number of Employees | 165  | 164  | 156  | 154  | 156  | 160  | 156  | 148  | 142  | 135  |

All Retirement Systems

# Deductions by Type

(in millions)



|                        | (in millions) |            |            |            |            |            |            |            |            |              |  |
|------------------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--|
|                        | 2000          | 2001       | 2002       | 2003       | 2004       | 2005       | 2006       | 2007       | 2008       | 2009         |  |
| Benefits               | \$403         | 445        | 489        | 533        | 579        | 634        | 710        | 804        | 863        | 941          |  |
| Administrative Expense | 9             | 9          | 9          | 10         | 10         | 10         | 10         | 10         | 11         | 10           |  |
| Refunds                | 12            | 7          | 9          | 8          | 7          | 6          | 5          | 7          | 5          | 6            |  |
| Transfers to Systems   | 55            | 8          | 15         | 37         | 16         | 25         | 6          | 12         | 15         | 44           |  |
| <b>Totals</b>          | <b>\$479</b>  | <b>469</b> | <b>522</b> | <b>588</b> | <b>612</b> | <b>675</b> | <b>731</b> | <b>833</b> | <b>894</b> | <b>1,001</b> |  |

Utah Retirement Systems

# Schedule of Participating Employers

N = Public Employees Retirement System — Noncontributory  
 C = Public Employees Retirement System — Contributory  
 PS = Public Safety Retirement System  
 F = Firefighters Retirement System  
 D = 457 Plan  
 K = 401(k) Plan

| Employer   | N | C | PS | F | D | K |
|--|---|---|----|---|---|---|
| <b>School Districts and Education Employers</b>                            |   |   |    |   |   |   |
| Academy for Math, Engineering and Science Charter School.....              |   |   |    |   |   | K |
| Active Re-Entry Incorporated.....  | N |   |    |   |   | K |
| Alpine School District.....  | N | C |    |   | D | K |
| American Leadership Academy.....   | N |   |    |   |   | K |
| Beaver School District.....  | N |   |    |   |   | K |
| Box Elder School District.....   | N | C |    |   | D | K |
| Bridgerland Applied Technology Center.....                                 | N |   |    |   |   | K |
| Cache School District.....   | N | C |    |   | D | K |
| Canyons School District.....   | N |   |    |   |   | K |
| Carbon School District.....  | N | C |    |   | D | K |
| College of Eastern Utah.....   | N | C | PS |   | D | K |
| Daggett School District.....   | N | C |    |   | D | K |
| Davis Applied Technology Center.....                                       | N |   |    |   |   | K |
| Davis School District.....   | N | C |    |   | D | K |
| Dixie Applied Technology College.....                                      | N |   |    |   |   | K |
| Dixie State College.....   | N | C | PS |   |   | K |
| Duchesne School District.....  | N | C |    |   | D | K |
| East Hollywood High School.....  | N |   |    |   |   | K |
| Educators Mutual Insurance.....  | N | C |    |   | D | K |
| Emery School District.....   | N | C |    |   | D | K |
| Fast Forward Charter High School.....                                      | N |   |    |   |   | K |
| Garfield School District.....  | N | C |    |   |   | K |
| Grand School District.....   | N | C |    |   |   | K |
| Granite School District.....   | N | C |    |   | D | K |
| High School Activity Association.....                                      | N | C |    |   |   | K |
| Intech Collegiate Charter High School.....                                 | N |   |    |   |   | 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 |
| Liberty Academy Charter School.....  | N |   |    |   |   | K |
| Logan School District.....   | N | C |    |   | D | K |
| Master Academy, Inc.....   | N |   |    |   |   | K |
| Millard School District.....   | N | C |    |   |   | K |
| Monticello Academy.....  | N |   |    |   |   | K |
| Morgan School District.....  | N |   |    |   | D | K |
| Mountainland Applied Technology Center.....                                | N |   |    |   |   | K |
| Murray School District.....  | N | C |    |   | D | K |
| Nebo School District.....  | N | C |    |   | D | K |
| Noah Webster Academy, Inc.....   | N |   |    |   |   | K |
| North Sanpete School District.....   | N | C |    |   | D | K |
| North Summit School District.....  | N | C |    |   | D | K |
| Northern Utah Academy of Math, Engineering and Science Charter School..... | N |   |    |   |   | K |
| Ogden School District.....   | N | C |    |   | D | K |
| Ogden-Weber Applied Technical Center.....                                  | N | C |    |   |   | K |
| Park City School District.....   | N | C |    |   | D | K |
| Piute School District.....   | N | C |    |   |   | K |
| Provo School District.....   | N | C |    |   | D | K |

| Employer                                       | N | C | PS | F | D | K |
|--|---|---|----|---|---|---|
| Recreation and Habilitation Services.....      | N |   |    |   |   | K |
| Rich School District.....                      | N | C |    |   |   | K |
| Salt Lake Arts Academy.....                    | N |   |    |   |   | K |
| Salt Lake Community College.....               | N | C |    |   | D | K |
| Salt Lake School District.....                 | N | C |    |   | D | K |
| Salt Lake/Tooele Applied Technical Center..... | N |   |    |   |   | K |
| San Juan School District.....                  | N | C |    |   | D | K |
| Sevier School District.....                    | N | C |    |   | D | K |
| Snow College.....                              | N | C |    |   | D | K |
| Soldier Hollow Charter School.....             | N |   |    |   |   | K |
| South Sanpete School District.....             | N | C |    |   | D | K |
| South Summit School District.....              | N |   |    |   |   | K |
| Southern Utah University.....                  | N | C | PS |   |   | K |
| Southwest Applied Technology Center.....       | N |   |    |   |   | K |
| Southwest Educational Development Center.....  | N |   |    |   |   | K |
| Space Dynamics Lab/USU.....                    | N |   |    |   |   | K |
| Success Academy.....                           | N |   |    |   |   | K |
| Summit Academy Charter School.....             | N |   |    |   |   | K |
| Tintic School District.....                    | N | C |    |   |   | K |
| Tooele School District.....                    | N | C |    |   | D | K |
| Tuacahan High School.....                      | N |   |    |   |   | K |
| Uintah Basin Applied Technology Center.....    | N | C |    |   | D | K |
| Uintah School District.....                    | N | C |    |   | D | K |
| University of Utah.....                        | N | C | PS |   |   | K |
| Utah County Academy of Sciences.....           | N |   |    |   |   | 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 State University.....                     | N | C | PS |   | D | K |
| Utah Uniserv.....                              | N | C |    |   | 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 |

**State and Other Employers**

|   |   |   |    |   |   |   |
|---|---|---|----|---|---|---|
| Heber Valley Historic Railroad Authority.....   | N |   |    |   |   | K |
| State of Utah<br>(also participates in the Judges Retirement System and the Governors and Legislative Retirement Plan)..... | N | C | PS | F | D | K |
| Utah Communications Agency Network.....   | N |   |    |   |   | K |
| Utah Dairy Council.....   | N |   |    |   |   | K |
| Utah Housing Finance Agency.....  | N | C |    |   |   | K |
| Utah Retirement Systems.....  | N |   |    |   | D | K |
| Utah Safety Council.....  | N |   |    |   |   | K |
| Utah State Fair Corporation.....  | N |   |    |   |   | K |
| Workers Compensation Fund.....  | N | C |    |   | D | K |

Schedule of Participating Employers (Continued)

| Employer                                 | N | C | PS | F | D | K | Employer                      | N | C | PS | F | D | K | Employer              | N | C | PS | F | D | K |   |
|--|---|---|----|---|---|---|-------------------------------|---|---|----|---|---|---|-----------------------|---|---|----|---|---|---|---|
| <b>Counties and County Organizations</b> |   |   |    |   |   |   | Enoch City                    | N |   | PS |   |   | K | Nibley City           | N |   |    |   |   |   | K |
| Beaver County                            | N |   | PS |   | D | K | Enterprise City               | N |   |    |   |   | K | North Logan City      | N | C | PS | F |   |   | K |
| Box Elder County                         | N | C | PS |   | D | K | Ephraim City                  | N |   | PS |   |   | K | North Ogden City      | N | C | PS | F |   |   |   |
| Cache County                             | N | C | PS | F | D | K | Escalante Town                | N |   | PS |   |   |   | North Salt Lake City  | N |   | PS |   | D |   | K |
| Carbon County                            | N | C | PS |   | D | K | Eureka City                   | N |   |    |   |   |   | Oakley City           |   | C |    |   |   |   | K |
| Daggett County                           | N |   | PS |   |   | K | Fairview City                 | N |   | PS |   |   | K | Ogden City            | N | C | PS | F | D |   | K |
| Davis County                             | N |   | PS |   | D | K | Farmington City               | N |   | PS | F |   |   | Orangeville City      | N |   |    |   |   |   | K |
| Duchesne County                          |   | C | PS |   | D | K | Farr West City                | N |   |    |   | D | K | Orderville Town       | N |   |    |   |   |   |   |
| Emery County                             | N | C | PS |   | D | K | Ferron City                   | N |   |    |   |   | K | Orem City             | N | C | PS | F | D |   | K |
| Garfield County                          | N | C | PS |   | D | K | Fillmore City                 | N |   |    |   | D | K | Panguitch City        | N |   |    |   |   |   | K |
| Grand County                             | N | C | PS |   |   | K | Fountain Green City           | N |   | PS |   |   |   | Paragonah Town        |   | C |    |   |   |   |   |
| Iron County                              | N | C | PS |   | D | K | Francis Town                  | N |   |    |   |   | K | Park City             | N | C | PS |   |   |   |   |
| Juab County                              | N | C | PS |   |   |   | Fruit Heights City            | N |   |    |   |   | K | Parowan City          | N | C | PS |   |   |   | K |
| Kane County                              | N |   | PS |   |   |   | Garden City                   | N |   |    |   |   | K | Payson City           | N |   | PS | F |   |   | K |
| Millard County                           | N | C | PS |   | D | K | Garland City                  |   | C | PS |   |   | K | Perry City            | N |   | PS |   |   |   | K |
| Morgan County                            | N |   | PS |   |   | K | Genola Town                   | N |   |    |   |   |   | Plain City            | N |   |    |   |   |   | K |
| Piute County                             | N |   | PS |   |   | K | Goshen Town                   | N |   |    |   |   |   | Pleasant Grove City   | N |   | PS | F |   |   |   |
| Rich County                              |   | C | PS |   |   |   | Grantsville City              | N |   | PS |   | D | K | Pleasant View City    | N | C | PS | F | D |   | K |
| Salt Lake County                         | N | C | PS | F | D | K | Green River City              | N |   |    |   |   | K | Price City            | N | C | PS | F |   |   | K |
| San Juan County                          | N | C | PS |   | D | K | Gunnison City                 | N |   | PS |   | D | K | Providence City       | N |   |    |   |   |   | K |
| Sanpete County                           | N | C | PS |   |   | K | Harrisville City              | N | C | PS |   |   | K | Provo City            | N | C | PS | F | D |   | K |
| Sevier County                            | N | C | PS |   | D |   | Heber City                    | N |   | PS |   | D | K | Redmond Town          | N |   |    |   |   |   |   |
| Summit County                            | N | C | PS |   |   |   | Helper City                   | N |   | PS |   |   | K | Richfield City        | N | C | PS |   | D |   |   |
| Tooele County                            | N | C | PS | F | D | K | Herriman City                 | N |   |    |   |   | K | Richmond City         | N |   |    |   |   |   | K |
| Uintah County                            |   | C | PS |   | D | K | Highland City                 | N |   |    |   | D | K | Riverdale City        | N | C | PS | F |   |   | K |
| Unified Fire Authority                   | N |   | PS | F |   | K | Hinckley Town                 | N |   |    |   |   | K | Riverton City         | N | C |    | F | D |   | K |
| Utah County                              | N | C | PS |   | D |   | Holden Town                   | N |   |    |   |   |   | Roosevelt City        | N |   | PS | F | D |   | K |
| Wasatch County                           | N |   | PS |   |   | K | Holladay City                 | N |   |    |   |   | K | Roy City              | N | C | PS | F | D |   | K |
| Wasatch Co. Fire Dist.                   | N |   |    | F |   | K | Hooper City                   | N |   |    |   |   | K | Salem City            | N |   | PS |   | D |   | K |
| Washington County                        | N |   | PS |   | D | K | Huntington City               | N |   |    |   |   | K | Salina City           | N |   | PS |   |   |   |   |
| Wayne County                             | N |   | PS |   |   |   | Hurricane City                | N |   | PS | F |   | K | Salt Lake City        | N | C | PS | F | D |   | K |
| Weber County                             | N | C | PS |   | D | K | Hyde Park City                | N |   |    |   |   | K | Sandy City            | N | C | PS | F | D |   |   |
| Weber Fire District                      |   | C |    | F | D | K | Hyrum City                    | N |   |    |   |   | K | Santa Clara City      | N |   | PS |   |   |   | K |
|  |   |   |    |   |   |   | Ivins City                    | N |   | PS | F |   | K | Santaquin City        | N |   | PS |   |   |   | K |
|  |   |   |    |   |   |   | Kamas City                    | N |   | PS |   | D | K | Saratoga Springs Town | N |   | PS | F |   |   | K |
|  |   |   |    |   |   |   | Kanab City                    | N |   | PS |   | D | K | Smithfield City       | N |   | PS | F |   |   | K |
|  |   |   |    |   |   |   | Kaysville City                | N | C | PS |   |   | K | South Jordan City     |   | C | PS | F |   |   | K |
|  |   |   |    |   |   |   | La Verkin City                |   | C | PS |   |   |   | South Ogden City      | N |   | PS | F |   |   | K |
|  |   |   |    |   |   |   | Layton City                   | N | C | PS | F | D |   | South Salt Lake City  | N |   | PS | F | D |   | K |
|  |   |   |    |   |   |   | Lehi City                     | N | C | PS | F |   |   | South Weber City      | N |   |    |   |   |   | K |
|  |   |   |    |   |   |   | Levan Town                    | N |   |    |   |   |   | Spanish Fork City     | N |   | PS |   |   |   |   |
|  |   |   |    |   |   |   | Lewiston City                 | N |   |    |   |   |   | Spring City           |   | C | PS |   |   |   |   |
|  |   |   |    |   |   |   | Lindon City                   | N |   | PS |   |   | K | Springdale Town       | N |   | PS |   |   |   | K |
|  |   |   |    |   |   |   | Logan City                    | N | C | PS | F | D | K | Springville City      | N | C | PS | F |   |   |   |
|  |   |   |    |   |   |   | Lone Peak Safety Dist.        | N |   | PS | F |   | K | St. George City       | N | C | PS |   | D |   | K |
|  |   |   |    |   |   |   | Manila Town                   |   | C |    |   |   | K | Stockton Town         | N |   |    |   |   |   |   |
|  |   |   |    |   |   |   | Manti City                    | N |   |    |   |   | K | Sunnyside City        | N |   |    |   | D |   | K |
|  |   |   |    |   |   |   | Mantua City                   | N |   | PS |   |   | K | Sunset City           | N | C | PS |   | D |   | K |
|  |   |   |    |   |   |   | Mapleton City                 | N |   | PS |   |   | K | Syracuse City         | N |   | PS | F | D |   | K |
|  |   |   |    |   |   |   | Marriott/<br>Slaterville City | N |   |    |   |   | K | Tailorsville City     | N |   | PS |   |   |   | K |
|  |   |   |    |   |   |   | Mayfield Town                 | N |   |    |   |   | K | Tooele City           | N | C | PS |   | D |   |   |
|  |   |   |    |   |   |   | Meadow Town                   | N |   |    |   |   | K | Tremonton City        | N | C | PS |   | D |   | K |
|  |   |   |    |   |   |   | Mendon City                   | N |   |    |   |   |   | Uintah City           | N |   |    |   |   |   | K |
|  |   |   |    |   |   |   | Midvale City                  | N | C | PS | F | D |   | Vernal City           | N | C | PS |   |   |   | K |
|  |   |   |    |   |   |   | Midway City                   | N | C |    |   |   | K | Vineyard Town         | N |   |    |   |   |   | K |
|  |   |   |    |   |   |   | Millford City                 | N |   | PS |   |   | K | Washington City       | N |   |    | F |   |   | K |
|  |   |   |    |   |   |   | Millville City                | N |   |    |   | D | K | Washington            |   |   |    |   |   |   |   |
|  |   |   |    |   |   |   | Minersville Town              | N |   |    |   |   | K | Terrace City          | N |   | PS | F | D |   | K |
|  |   |   |    |   |   |   | Moab City                     | N | C | PS |   | D | K | Wellington City       | N |   | PS |   |   |   | K |
|  |   |   |    |   |   |   | Monroe City                   | N |   |    |   |   | K | Wellsville City       | N |   |    |   |   |   | K |
|  |   |   |    |   |   |   | Monticello City               | N |   | PS |   |   |   | Wendover City         | N |   | PS |   | D |   | K |
|  |   |   |    |   |   |   | Morgan City                   | N |   |    |   |   | K | West Bountiful City   |   | C | PS |   |   |   | K |
|  |   |   |    |   |   |   | Moroni City                   | N |   | PS |   |   |   | West Haven City       | N |   |    |   |   |   | K |
|  |   |   |    |   |   |   | Mt Pleasant City              | N | C | PS |   |   | K | West Jordan City      | N | C | PS | F | D |   |   |
|  |   |   |    |   |   |   | Murray City                   | N | C | PS | F | D | K | West Point City       | N |   |    |   |   |   | K |
|  |   |   |    |   |   |   | Myton City                    | N |   |    |   |   |   | West Valley City      | N | C | PS | F |   |   |   |
|  |   |   |    |   |   |   | Naples City                   |   | C | PS |   |   | K | Willard City          | N |   | PS |   |   |   |   |
|  |   |   |    |   |   |   | Nephi City                    | N |   | PS |   | D | K | Woods Cross City      | N | C | PS |   | D |   | K |

Schedule of Participating Employers (Continued)

| Employer  | N | C | PS | F | D | K |
|---|---|---|----|---|---|---|
| <b>Other Government Entities</b>                                |   |   |    |   |   |   |
| Ash Creek Special Service District .....                        | N |   |    |   | 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 Housing Authority.....                                   | N |   |    |   |   | K |
| Beaver Valley Hospital .....                                    | N |   |    |   |   | K |
| Benchland Water Company .....                                   | 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 Housing Authority .....                              | N |   |    |   |   |   |
| Cedar Mountain Fire Protection District .....                   | N |   |    | F |   | K |
| Central Iron County<br>Water Conservancy District.....          | N |   |    |   |   | K |
| Central Davis Sewer District .....                              | 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 |
| Cottonwood Heights P&R Services.....                            | N |   |    |   | D | K |
| Cottonwood Improvement District.....                            | N |   |    |   | D | K |
| Council on Aging —<br>Golden Age Center Special Service Dist... | N |   |    |   |   | K |
| Davis & Weber County Canal .....                                |   | C |    |   |   | K |
| Davis Behavioral Health.....                                    | N |   |    |   | D | K |
| Davis County Housing.....                                       |   | C |    |   |   | K |
| Davis County Mosquito Abatement .....                           | N |   |    |   |   | K |
| Davis County Solid Waste Management.....                        | N |   |    |   | D | K |
| DDI Advantage.....  |   | C |    |   |   | K |
| Duchesne County Mosquito District.....                          |   | C |    |   |   |   |
| Duchesne County Water<br>Conservancy District.....              | N |   |    |   |   |   |
| East Duchesne Culinary<br>Water Imp District.....               | N |   |    |   |   | K |
| Emery County Care<br>and Rehabilitation Center .....            |   | C |    |   | D | K |
| Emery County Recreation<br>Special Service District .....       | N |   |    |   |   | K |
| Emery Water Conservancy District.....                           | N |   |    |   |   | K |
| Five-County Association of Governments.....                     | N | C |    |   | D | K |
| Four Corners Mental Health .....                                | N | C |    |   | D | K |
| Garden City Fire District.....                                  |   |   |    | F |   | K |
| Grand County Cemetery Maintenance Dist....                      | N |   |    |   |   | K |
| Grand County Solid Waste Management .....                       | N |   |    |   |   | K |
| Grand County Water Sewer /Service.....                          | N |   |    |   |   |   |
| Granger-Hunter Improvement District .....                       | N |   |    |   | D | K |
| Gunnison Valley Hospital.....                                   | N | C |    |   |   | K |
| Heber Light & Power.....  | N |   |    |   | D | K |
| Heber Valley Special District.....                              | N |   |    |   |   |   |
| Hooper Water Improvement District.....                          | N |   |    |   |   |   |
| Housing Authority of Carbon County .....                        | N |   |    |   |   | K |
| Housing Authority of Ogden City.....                            | N |   |    |   |   |   |
| Housing Authority of Salt Lake City .....                       | N | C |    |   |   | K |
| Housing Authority of Salt Lake County.....                      | N |   |    |   |   |   |
| Impact Mitigation Special Service District.....                 | N |   |    |   |   | K |

| Employer   | N | C | PS | F | D | K |
|--|---|---|----|---|---|---|
| Jordan Valley Water Conservancy District .....                     | N | C |    |   | D | K |
| Jordanelle Special Service District .....                          | N |   |    |   |   | K |
| Kane Water Conservancy District.....                               | N |   |    |   |   |   |
| Kearns Improvement District .....                                  | N | C |    |   |   | K |
| Leeds Area Special Service District.....                           |   |   |    | F |   |   |
| Maesar Water District.....   | N |   |    |   |   | K |
| Magna Mosquito Abatement.....                                      | N |   |    |   |   | K |
| Metro Water District—SLC/Sandy .....                               | N |   |    |   | D | K |
| Midvalley Improvement District .....                               | N |   |    |   |   | K |
| Military Installation Development Authority .....                  | N |   |    |   |   | K |
| Millard Country Care and<br>Rehabilitation, Inc.....               | N |   |    |   |   |   |
| Moab Valley Fire District .....                                    | N |   |    | F |   | K |
| Mountain Regional Water<br>Special Service District .....          | N |   |    |   |   | K |
| Mountainland Association<br>of Governments .....                   | N | C |    |   | D | K |
| Nebo Credit Union .....  | N |   |    |   |   | K |
| North Davis County Sewer District .....                            | N | C |    |   |   |   |
| North Davis Fire District .....                                    | N |   |    | F |   |   |
| North East Counseling Center.....                                  | N |   |    |   |   | K |
| North Emery Water Users<br>Special Service District .....          | N |   |    |   |   |   |
| North Fork Special Service District.....                           | N |   |    |   |   |   |
| North Pointe Solid Waste<br>Special Service District .....         | N |   |    |   |   | K |
| North View Fire Agency .....                                       | N |   |    | 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 River Water Users.....                                       | N |   |    |   | D | K |
| Roosevelt City Housing Authority .....                             | N |   |    |   |   |   |
| Roy Water Conservancy District.....                                | N |   |    |   |   | K |
| Salt Lake City Library .....                                       | N |   |    |   |   | K |
| Salt Lake City Mosquito Abatement .....                            | N |   |    |   |   | K |
| Salt Lake City Sub. Sanitation #1.....                             | N |   |    |   |   | K |
| Salt Lake County Service Area #3 .....                             | N |   |    |   | D | K |
| San Juan Mental Health/<br>Substance Abuse District .....          | N |   |    |   |   | K |
| Sandy Suburban 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<br>Improvement District.....              | N | C |    |   | D | K |
| South Davis County Water<br>Improvement District.....              | N |   |    |   |   | K |
| South Davis Metro Fire Agency.....                                 | N |   |    | F |   | K |
| South Davis Recreation Center .....                                | N |   |    |   |   |   |
| South Ogden Conservancy District.....                              | N |   |    |   | D | K |
| South Utah Valley Animal<br>Services Special Service District..... | N |   |    |   |   |   |
| South Utah Valley Electric Service District.....                   | N |   |    |   |   | K |
| South Utah Valley Solid Waste .....                                | N |   |    |   |   | K |
| South Valley Sewer District .....                                  | N | C |    |   | D | K |
| South Valley Water Reclamation Facility .....                      | N |   |    |   |   | K |
| Southeastern Utah Assoc. of Governments ...                        | N | C |    |   | D | K |
| Southeastern Utah Health .....                                     | N | C |    |   |   | K |
| Southern Salt Lake Valley<br>Mosquito Abatement .....              | N |   |    |   |   | K |
| Southern Utah Valley Power System .....                            | N |   |    |   |   | K |
| Southwest Center.....  | N |   |    |   |   | K |
| Southwest Utah Public Health Department ....                       | N | C |    |   | D | K |

Schedule of Participating Employers (Continued)

| Employer  | N | C | PS | F | D | K          |
|---|---|---|----|---|---|------------|
| St. George Housing Authority.....                               | 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 | Tri-       |
| City Golf Course.....   | N |   |    |   |   | K          |
| Tridell-Lapoint Water District.....                             | N |   |    |   |   | K          |
| Uintah Animal Control and Shelter Special Service District..... | N |   |    |   |   | K          |
| Uintah Basin Assistance Council.....                            | N |   |    |   |   |            |
| Uintah Basin Association of Government.....                     | N |   |    |   |   |            |
| Uintah County Care Center.....                                  | N |   |    |   |   | K          |
| Uintah County Mosquito Abatement.....                           | N |   |    |   |   | K          |
| Uintah Fire Suppression Special Service Dist.....               |   |   | F  |   |   | K          |
| Uintah Highlands Improvement Dist.....                          | N |   |    |   |   |            |
| Uintah Recreation District.....                                 | N |   |    |   |   | K          |
| Uintah Transportation Special Service Dist.....                 | N |   |    |   |   | K          |
| Uintah Water Conservancy District.....                          | N |   |    |   |   |            |
| 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 Local Governments Trust.....                               | N |   |    |   |   | K          |
| Utah Lake Commission.....                                       | N |   |    |   |   | K          |
| Utah League of Cities & Towns.....                              |   | C |    |   |   |            |
| Utah Municipal Power Agency.....                                | N |   |    |   |   | K          |
| Utah Public Employees Association.....                          | N | C |    |   |   | K          |
| Utah Telecommunication Open Infrastructure Agency.....          | N |   |    |   |   | K          |
| Utah Valley Dispatch Special Services Dist.....                 | N |   |    |   |   | K          |
| Utah Zoological Society.....                                    | N | C |    |   |   | K          |
| Valley Emergency Communication Center.....                      | N |   |    |   | D | K          |
| Valley Mental Health.....                                       | N | C |    |   | D | K          |
| Wasatch Front Regional Council.....                             |   | C |    |   | D | K          |
| Wasatch Integrated Waste Management.....                        | N |   |    |   | D | K          |
| Wasatch Mental Health Special Services District.....            | N | C |    |   | D | K          |
| Washington County Solid Waste #1.....                           | N |   |    |   |   | K          |
| Washington County Water District.....                           |   | C |    |   |   | K          |
| Weber Area Dispatch 911 & Emergency Services District.....      | N |   |    |   |   | 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          |
| <b>Total Participating Employers.....</b>                       |   |   |    |   |   | <b>445</b> |
| Noncontributory.....  |   |   |    |   |   | <b>416</b> |
| Contributory.....   |   |   |    |   |   | <b>160</b> |
| Public Safety.....  |   |   |    |   |   | <b>130</b> |
| Firefighters.....   |   |   |    |   |   | <b>55</b>  |
| Judges.....   |   |   |    |   |   | <b>1</b>   |
| Governor and Legislative.....                                   |   |   |    |   |   | <b>1</b>   |
| 457 Plan.....   |   |   |    |   |   | <b>153</b> |
| 401(k) Plan.....  |   |   |    |   |   | <b>362</b> |

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



# A Highlight History 1907-2009



- 1907** The Legislature authorizes the organization of local teacher retirement associations.
- 1908** Salt Lake City institutes the first teacher retirement commission. Ogden follows in 1933 and Provo in 1934.
- 1919** First statewide pension plan for all full-time paid and volunteer firemen. Actuarially unsound, the system would be transferred to the Retirement Office in 1965.
- 1921** First police pension plans in Salt Lake, Ogden, Provo and Logan. Actuarially unsound, these plans would be transferred to the Public Safety Retirement System in 1969.
- 1927** The Prison and Industrial School Guards Retirement System is enacted. Industrial school guards join the teachers retirement system in 1937. Prison guards transfer to the Public Safety Retirement System in 1970.
- 1934** The Utah Education Association prepares a teacher retirement plan to present to the Legislature. This plan will form much of the basis for a new retirement system.
- 1937** First statewide teachers retirement system. Seven member board hires Ray L. Lillywhite as the first executive secretary.
- 1943** Utah Supreme Court rules that a retiree's statutory retirement benefit cannot be reduced, affirming the principle of vested rights. The Court would later affirm that a vested retirement benefit may not be reduced without providing a "substantial substitute."
- 1947** The State Officers' and Employees' Retirement System is created with a 3% contribution rate each by employee and employer.
- Teachers in local systems are required to join the State Teachers Retirement System.
- 1948** The Utah Supreme Court permits service credit for prior service in parochial schools.
- 1949** The State Officers and Employees Retirement System is renamed The Public Employees Retirement System; it will cover all public employees and judges. Retirement benefit ceiling is \$100 a month.
- 1952** Ray Lillywhite resigns; Leonard W. McDonald is hired as 2nd executive secretary of the Teachers Retirement System.
- 1953** The short-lived Teachers Retirement System is liquidated in favor of Social Security.
- 1954** The Teachers Retirement System is replaced by the Utah School Employees Retirement System and integrated with Social Security to preserve its solvency. Local teacher retirement associations are terminated.
- 1957** Minimum monthly retirement benefit is \$85.
- 1959** The Utah State Public Employees Association is formed with the intent to produce a comprehensive plan for a statewide public employee retirement system.
- 1961** The Public Employees Retirement System is created with a seven member board.
- The public employees and teachers retirement systems retain separate boards but unite under a single administrator and office.
- 1963** Creation of a single board for all retirement systems is the crowning achievement in Utah public retirement history and the birth of today's Utah Retirement Systems.
- 1967** The heretofore separate school and public retirement systems are consolidated into a single Utah State Retirement System.
- 1969** The Utah Public Safety Retirement Act covers all public safety employees engaged full time in hazardous duty. Benefits would be uniform in each jurisdiction, but contribution rates would vary.
- 1971** Members gain a salary deferral program.
- 1975** Current service formula rises from 1.25% to 2%. The cost-of-living ceiling rises to 4%.
- 1976** Leonard W. McDonald retires. Bert D. Hunsaker becomes executive director.
- 1977** Governor Scott Matheson dedicates the new Leonard W. McDonald Building for the Utah Retirement Systems.
- 1979** Board gains custody of the retirement fund and greater investment authority.
- 1982** The court affirms that the Board is independent of the executive department and has authority to hire its own legal counsel.
- 1983** The Retirement Board sees its first actuarial surplus as new investments prove their worth; hires a full time investment manager.

## Utah Retirement Systems

### A Highlight History (Continued)

- 1986** Public Employees Noncontributory Retirement System debuts: employers pay all contributions; 3-year final average salary; State and education employers pay 1.5% of salary into URS' 401(k) plan. Employees forfeit access to contributions, but the new system portends a superior career retirement.
- 1987** A "25-and-out" retirement incentive plan permits public employees to retire after 25 years with no actuarial reduction; and increases to 2% the value of each year of service. Over 3000 employees take advantage of its 6-month window.
- 1989** The U.S. Supreme Court rules that if federal retirement benefits are taxable, then state-provided retirement benefits cannot be exempt. Legislature grants a 3% substantial substitute benefit for affected members.
- Bert Hunsaker steps down.  
Dee Williams becomes executive director.
- The Public Safety Noncontributory Retirement System is created.
- The Systems' assets nearly quadruple from \$1 billion to \$3.85 billion during the 1980s.
- 1990** Public Employees Noncontributory Retirement members receive 2% for all years of service.
- 1994** URS begins dividing pension, death, and DC benefits after court rules that a former spouse may be awarded death and retirement benefits, whether or not the spouse remarries.
- 1995** Members with 25 years of service in the Public Employees Noncontributory System may buy future service credit to permit immediate retirement.
- 1996** URS recovers 100% of member assets originally invested in Guaranteed Investment Contracts which failed when Confederation Life Insurance Company of Canada was declared insolvent in August, 1994.
- 1997** Judges Noncontributory Retirement System is created.
- The URS DC video receives a Telly Award — the commercial equivalent of an "Oscar" for motion pictures; URS' publication for retirees, Cycles, places 2nd worldwide among corporate and institutional newsletters.
- Legislature affirms the Board's authority to define provisions and terms of the retirement code.
- 1998** The 401(k) plan launches a bold marketing program to help members better map a retirement investment strategy. Investment options are enhanced and expanded.
- State employees at retirement may defer 25% of accumulated sick leave to the 401(k) plan, convert it to paid-up health or Medicare supplement insurance or take it as cash.
- 1999** Members may buy up to 5 years of future service credit, even if it exceeds the years required to retire.
- Leonard W. McDonald, director of the Utah Retirement Systems 1952-1976 and to whom much of the structure of the Systems can be attributed, dies.
- Dee Williams retires. Robert V. Newman becomes executive director.
- Systems' assets rise from \$3.85 billion to over \$13 billion during the 1990s.
- 2000** 401(k) plan participants may now apply for a fixed rate loan for any purpose of up to 50% of his or her 401(k) account balance.
- 2001** A value stock fund joins the menu of DC investment options.
- URS website calculators invite members to estimate pension benefits and compute potential 401(k)/457 earnings.
- 2002** The Olympic Winter Games are staged in Salt Lake City. URS adopts telecommuting.
- 457 plan permits deferrals up to 100% of includable compensation; offers a new catch-up feature; drops irrevocable withdrawal decisions; allows roll-overs to any acceptant 457, 403(b), 401(k), or IRA; allows use for URS pension redeposits or to buy URS service credit.
- Internet-based personal retirement account manager, myURS, lets members view and transfer account balances, alter deferrals, estimate payouts, integrate Social Security, and more.
- 2003** To protect 401(k) and 457 investors from the costs of others' adverse trading activities, URS restricts frequent trading privileges. Systems assets are \$14.2 billion.
- 2004** Ray L. Lillywhite, executive secretary of the Teachers Retirement System from 1937 to 1952, dies.
- 2005** Legislature repeals 1998 benefit allowing 25% of a state employee's accumulated sick leave to be converted to other retirement benefits.
- 2006** Members gain a partial lump-sum payment option (PLSO) at retirement.
- 2007** Retirement Systems' assets reached \$23.9 billion.
- Members of the Public Safety Contributory Retirement System gain a window to move to the Public Safety Noncontributory System.
- 2008** Retirement Systems pays over \$1,000,000,000 in annual benefits.
- 2009** New online enrollment feature at [urs.org](http://urs.org) offers simple, convenient way to enroll for benefits electronically.
- IRS Private Letter Ruling confirms URS 457 Plan is an eligible deferred compensation plan as defined in IRC Section 457(b).

Utah Retirement Systems

# Systems and Plans Statistical Highlights

Year Ended December 31, 2009

## Utah Retirement Systems

|                                      | Noncontributory | Contributory | Public Safety | Firefighters | Judges  | Governors and Legislators | Averages and Totals All Systems |
|--------------------------------------|-----------------|--------------|---------------|--------------|---------|---------------------------|---------------------------------|
| <b>Membership Information</b>        |                 |              |               |              |         |                           |                                 |
| <b>TOTAL MEMBERSHIP</b>              | 157,697         | 8,841        | 13,857        | 3,147        | 219     | 423                       | 184,184                         |
| Active                               | 92,766          | 2,515        | 7,695         | 1,907        | 104     | 119                       | 105,106                         |
| Terminated vested                    | 31,030          | 1,355        | 2,331         | 128          | 8       | 80                        | 34,932                          |
| Retired                              | 33,901          | 4,971        | 3,831         | 1,112        | 107     | 224                       | 44,146                          |
| <b>2009 ACTIVE MEMBERS</b>           | 92,766          | 2,515        | 7,695         | 1,907        | 104     | 119                       | 105,106                         |
| Average age                          | 45.3            | 52.0         | 39.1          | 39.2         | 56.4    | 53.3                      | 44.9                            |
| Average years of service             | 10.3            | 20.6         | 8.6           | 10.0         | 11.0    | 6.3                       | 10.5                            |
| Average annual salary                | \$ 41,945       | 47,941       | 47,145        | 54,466       | 131,742 | NA                        | 42,744                          |
| <b>2009 RETIREES</b>                 |                 |              |               |              |         |                           |                                 |
| Number                               | 2,540           | 181          | 170           | 38           | 10      | 5                         | 2,944                           |
| Average age                          | 63.1            | 60.8         | 55.0          | 55.7         | 65.1    | 68.6                      | 62.4                            |
| Average years of service             | 21.2            | 27.3         | 22.7          | 28.3         | 25.3    | 8.5                       | 21.7                            |
| Final average annual salary          | \$ 45,618       | 43,666       | 58,315        | 72,674       | 123,541 | NA                        | 46,768                          |
| Average annual benefit               | \$ 19,180       | 21,608       | 30,489        | 44,025       | 88,203  | 2,467                     | 20,509                          |
| Average annual benefit —all retirees | \$ 20,039       | 11,961       | 25,710        | 30,158       | 65,133  | 3,030                     | 19,900                          |

### Financial Information

| <b>CHANGES IN NET ASSETS</b> (in thousands) |              |         |           |         |         |       |            |
|---|--------------|---------|-----------|---------|---------|-------|------------|
| Contributions                               | \$ 549,407   | 19,520  | 100,285   | 27,432  | 4,251   | —     | 700,895    |
| Investment income                           | 1,667,478    | 112,626 | 213,627   | 79,811  | 13,214  | 1,098 | 2,087,854  |
| Pension benefits                            | 725,934      | 67,007  | 106,662   | 38,542  | 7,595   | 784   | 946,524    |
| Net assets at market value                  | \$14,152,562 | 937,587 | 1,824,758 | 682,219 | 111,726 | 8,993 | 17,717,845 |

### Actuarial Information

| <b>FUNDING PROGRESS</b> (dollars in thousands) |              |           |           |         |         |        |            |
|--|--------------|-----------|-----------|---------|---------|--------|------------|
| Actuarial value of assets                      | \$16,622,548 | 1,114,019 | 2,137,027 | 802,576 | 131,491 | 10,769 | 20,818,430 |
| Actuarial accrued liability                    | \$19,429,734 | 1,234,895 | 2,644,070 | 825,154 | 154,303 | 11,027 | 24,299,183 |
| Unfunded actuarial accrued liability           | \$ 2,807,186 | 120,876   | 507,043   | 22,578  | 22,812  | 258    | 3,480,753  |
| Funded ratios                                  | 85.6%        | 90.2%     | 80.8%     | 97.3%   | 85.2%   | 97.7%  | 85.7%      |

## Defined Contribution Plans

|  | 401(k)    | 457    | Roth IRA | Traditional IRA | Health Reimbursement Arrangement (HRA) |
|--|-----------|--------|----------|-----------------|--|
| <b>Membership Information</b>                              |           |        |          |                 |  |
| Number of active employees eligible to participate         | 101,248   | 87,856 | 105,106  | 105,106         | 1,079                                  |
| Employee contributions (excluding employer contributions): |           |        |          |                 |  |
| Number of employees contributing                           | 44,868    | 8,818  | 1,351    | 63              | NA                                     |
| Percent of eligible employees contributing                 | 44.3%     | 10.0%  | 1.3%     | 0.1%            | NA                                     |
| Average percent of salary deferred by employees            | 5.8%      | 6.5%   | 4.0%     | 2.9%            | NA                                     |
| Total participants   | 144,013   | 16,575 | 1,949    | 494             | 1,079                                  |
| Average participant account balance                        | \$ 18,105 | 17,111 | 6,284    | 45,488          | 2,769                                  |

### Financial Information

| <b>CHANGES IN NET ASSETS</b> (in thousands) |             |         |        |        |       |  | Total     |
|---|-------------|---------|--------|--------|-------|--|-----------|
| Contributions                               | \$ 222,369  | 26,617  | 3,623  | 3,161  | 1,974 |  | 257,744   |
| Net investment income (loss)                | 386,989     | 41,581  | 2,008  | 2,803  | 7     |  | 433,388   |
| Refunds                                     | 127,675     | 13,349  | 445    | 2,635  | 533   |  | 144,637   |
| Net assets at market value                  | \$2,607,287 | 283,619 | 12,248 | 22,471 | 2,988 |  | 2,928,613 |

**Utah Retirement Systems**

540 East 200 South

Salt Lake City

Utah 84102-2044

[www.urs.org](http://www.urs.org)



*Pictured on the Cover:  
Vanessa Welsh, Watershed Specialist, Department of Public Utilities, Salt Lake City*