

Dear Valued Member:

Even in uncertain times, you can feel certain about the health and resilience of the URS pension fund.

We manage this fund with a long-term horizon to maximize returns throughout all market cycles, with an emphasis on downside protection.

It's built to stay healthy in every economic environment.

In 2019, amid vigorous financial markets, the fund returned a lofty 14.45%, growing to \$35.2 billion. Our funded status, as of December 31, 2019, was 91.7%, making URS one of the most well-funded statewide pension plans in the country.

Needless to say, much global history has transpired since then. However, the URS pension fund's long-term bill of health remains clean. Our investing strategy protects principal as much as possible during times when the economy may be under the weather

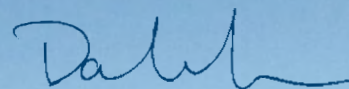
(see a summary of our investment philosophy on Page 4).

There's still a lot of history to be written between now and the time I write this letter next summer to report on calendar year 2020. Although the short-term details may differ, I have no doubt that our long-term prognosis will continue to be good.

In the meantime, please stay safe and healthy this summer. Follow the guidance at [coronavirus.utah.gov](https://coronavirus.utah.gov). And rest easy that the URS pension fund remains healthy, even in these uncertain times.



## 2019 Summary Report to Members



Daniel D. Andersen  
Executive Director  
Utah Retirement Systems

*"It is health that is real  
wealth and not pieces  
of gold and silver."*

— MAHATMA GANDHI

# Staying Healthy in Every Environment

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

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# Introduction

## About URS

URS provides retirement and insurance benefits exclusively for Utah public employees. We serve more than 235,000 members and about 482 public employers. We're a component unit of the State of Utah, governed by Utah Code Title 49. We administer eight defined benefit pension systems and four retirement savings plans.

## Mission Statement

We serve Utah public employees with retirement and insurance benefits in a partnership of trust with a commitment to value, innovation, and excellence.



**235,240** total members  
**105,234** active members

*"When you feel great, you emanate a certain energy that translates as beautiful. I don't care if you have the standard beauty or not; it's that X-factor that comes through, and the basis of that is good health."*

— CHRISTIE BRINKLEY

**\$1.77 billion** in pension payouts

**70,706** total recipients

— 2019 Utah Retirement Systems

**1.1%** of state's total income  
**8,818** jobs supported

**\$358 million** of earnings from these jobs

**\$677 million** in state GDP impact

**\$59 million** state and local tax revenue

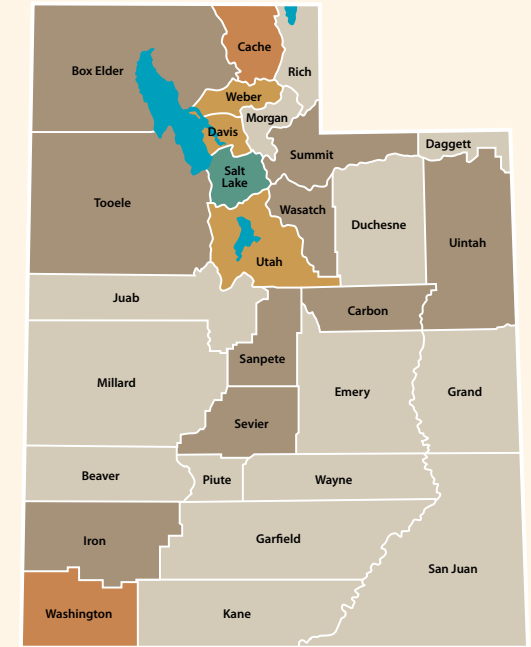
— URS 2018 Economic Impact to Utah Residents

## An Economic Force in the State of Utah

URS paid more than \$1.77 billion in pension payments in 2019, the vast majority of which remained in the Utah economy. More than 90% of URS pension payouts in 2019 went to retirees living in Utah, including nearly \$612.5 million to Salt Lake County retirees alone. Pension payments by county are shown to the right.

## By the Numbers

URS pension payments ripple throughout Utah's economy, supporting jobs, expanding GDP, and providing reliable state and local tax revenue. Each year, these payments support about 8,800 Utah jobs, \$358 million in wages, \$677 million in GDP, and \$59 million in state and local tax revenue, according to a 2018 report prepared by the University of Utah's Kem C. Gardner Policy Institute.



2019 BENEFITS PAID BY AMOUNT

\$0-15 million \$15-50 million \$50-100 million \$100-400 million \$400-600 million

## Pension Payouts in Utah

Retirees Who Live in Utah Characteristics by County

County	Recipients	Dollars Paid
Salt Lake County	22,500	\$ 612,495,141
Utah County	9,106	236,564,643
Davis County	6,814	184,533,759
Weber County	5,646	143,235,713
Washington County	3,955	96,303,289
Cache County	2,713	64,895,691
Box Elder County	1,409	31,459,184
Tooele County	1,228	29,339,769
Iron County	1,145	26,977,953
Sanpete County	1,022	22,700,390
Summit County	762	22,000,196
Sevier County	910	21,930,782
Wasatch County	692	17,537,669
Carbon County	764	17,063,568
Uintah County	764	15,513,386
Duchesne County	637	13,103,281
Millard County	511	12,237,811
San Juan County	437	10,095,753
Emery County	433	9,039,065
Morgan County	323	8,523,163
Juab County	365	7,946,636
Grand County	306	6,894,737
Beaver County	213	4,852,614
Garfield County	186	4,394,554
Kane County	212	4,059,584
Wayne County	119	2,874,705
Rich County	92	1,963,000
Piute County	82	1,662,974
Daggett County	57	1,161,916
Out of the State of Utah	7,051	139,238,566
<b>Total</b>	<b>70,454</b>	<b>\$ 1,770,599,490</b>

## A Snapshot of You

When we pose all of you together, we get this picture of age, service, and income.

**3,762** new retirees in 2019

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors & Legislators Plan	Tier 2 Public Employees System	Tier 2 Public Safety & Firefighter System	Tier 2 Defined Contribution Only	Averages and Totals All Systems
<b>Total Membership</b>	160,304	5,352	16,101	3,431	275	383	36,804	3,940	8,650	235,240
Active	53,134	450	4,982	1,490	116	47	33,686	3,767	7,562	105,234
Terminated vested	48,521	1,112	4,866	442	6	88	3,005	172	1,088	59,300
Retired	58,649	3,790	6,253	1,499	153	248	113	1	—	70,706
<b>Active Members</b>	53,134	450	4,982	1,490	116	47	33,686	3,767	7,562	105,234
Average age	48.5	57.0	42.3	42.8	53.2	55.4	35.4	28.9	36.1	42.4
Average years of service	17.2	30.8	16.9	16.9	14.8	13.7	3.3	3.5	4.1	11.3
<b>2019 Retirees</b>	3,237	81	325	58	3	10	47	1	N/A	3,762
Average age	64.2	63.1	52.7	53.2	66.3	67.5	68.7	33.0	N/A	63.1
Average years of service	21.2	31.7	22.1	24.8	31.5	9.3	5.9	0.8	N/A	21.3
<b>All Retirees</b>										
Average annual benefit	\$23,392	22,332	30,975	38,915	96,164	3,993	2,664	12,494	N/A	24,385



From left to right, top row first:

**Zephani Huang**, Officer, Cottonwood Heights Police Department;

**Kelcee Oylar**, Firefighter, Layton Fire Department;

**Judge Linda M. Jones**, Third Judicial District Court;

**Mitch Gwilliam**, Sergeant, North Salt Lake Police Department;

**Cameron Diehl**, Executive Director, Utah League of Cities and Towns;

**Brennen Graff**, Treatment Operator, Park City Municipal Corporation;

**Lee B. Perry**, Representative, District 29, Box Elder and Weber Counties;

**Tasha Baugh**, Child Nutrition Manager, Bonneville High School, Weber School District

## Return on Investment



The average portion of benefits paid through investment returns over the past 20 years is 64%.

## Our Investment Philosophy

The asset allocation of the URS pension fund is designed to meet long-term obligations, protect members' benefits, and minimize risk and volatility. We take a long-term perspective.

We prudently invest with appropriate asset diversification to maximize long-term returns throughout all types of market cycles, with an emphasis on downside protection.

Our asset allocation is designed to be less reliant on public equity and more diversified than a traditional portfolio. It includes assets that have little or no correlation to the price movement of equities. Our goal is to generate returns, diversify, and reduce risk.

*"Our greatest happiness does not depend on the condition of life in which chance has placed us, but is always the result of a good conscience, good health, occupation, and freedom in all just pursuits."*

— THOMAS JEFFERSON

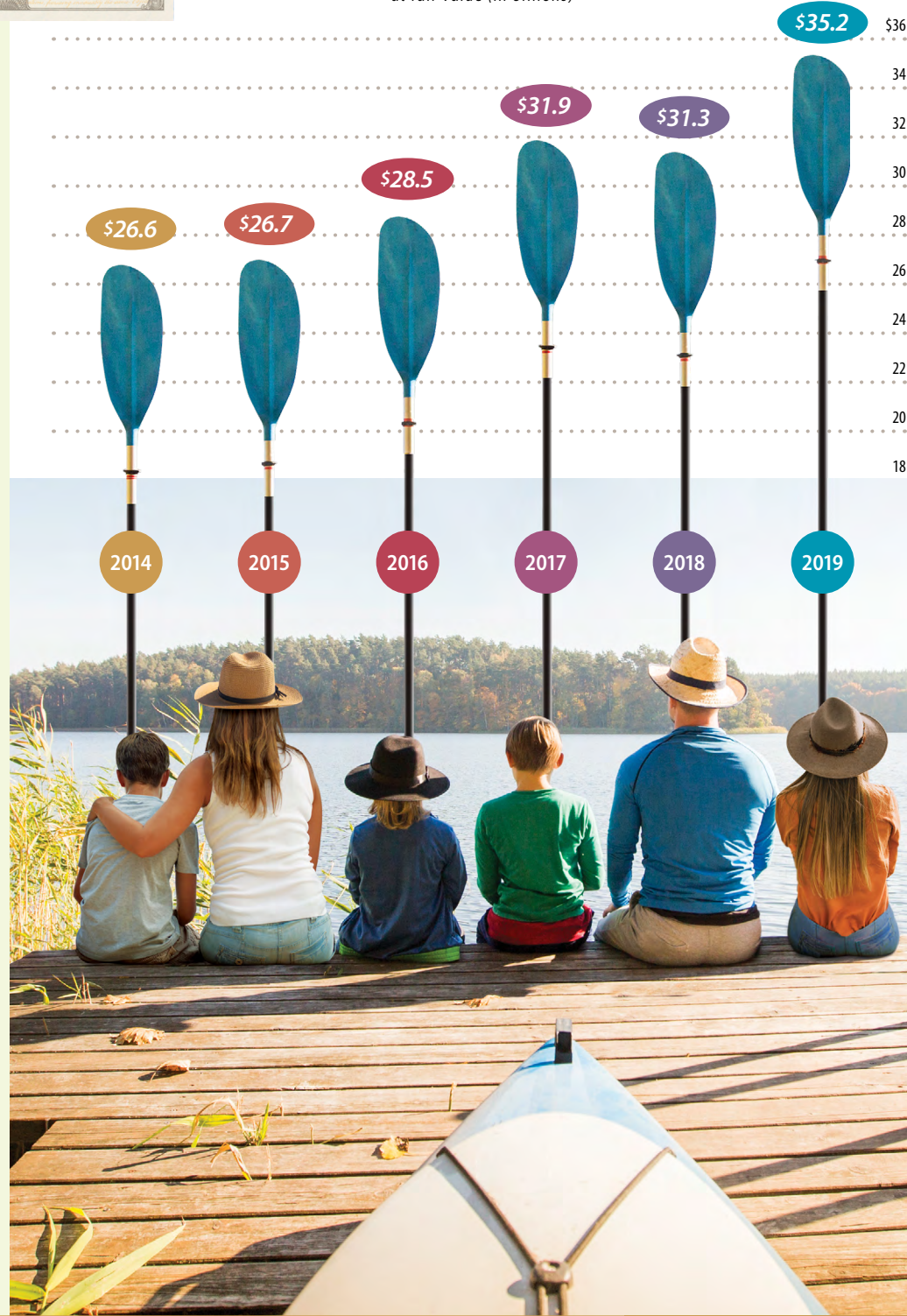
# Investments

## Defined Benefit Pension Assets

Our asset growth has been fueled by prudent investments.

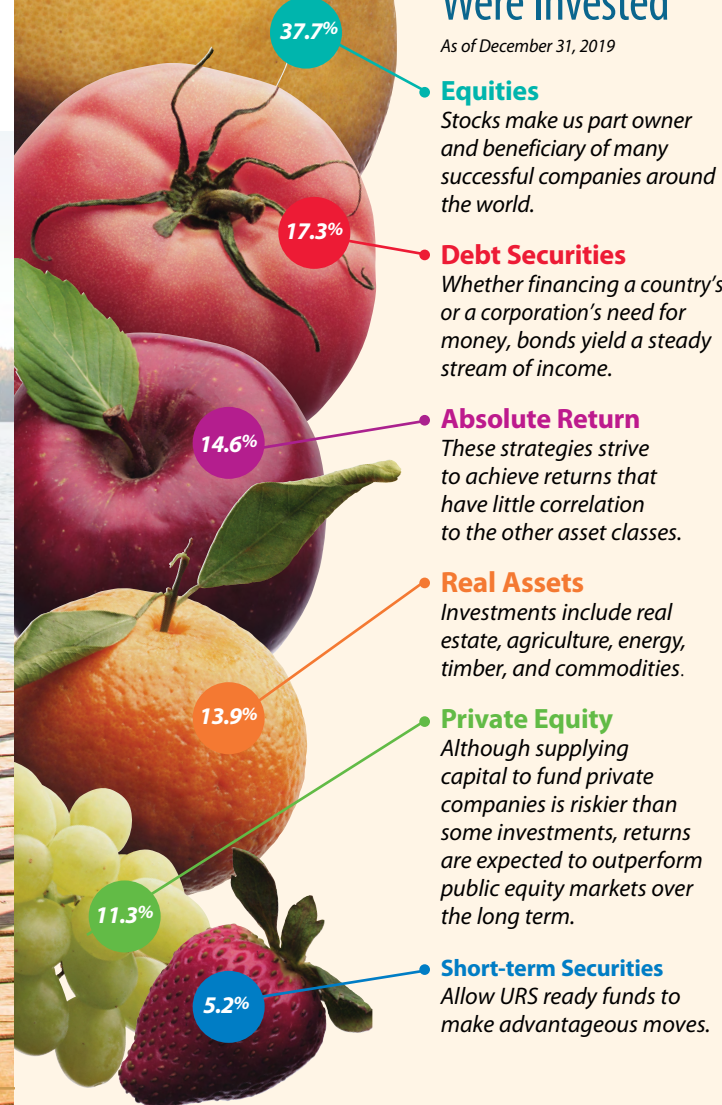
As of December 31, 2019, the net position of the pension fund was worth nearly \$35.2 billion as show below.

at fair value (in billions)



## Where Pension Funds Were Invested

As of December 31, 2019

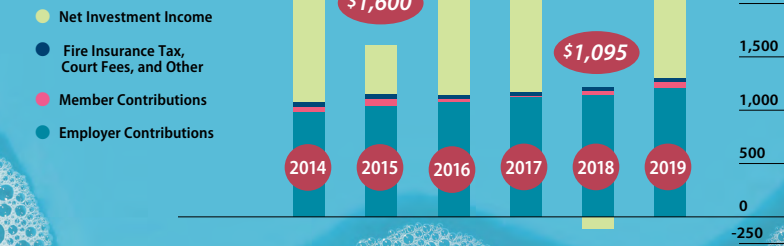


## How Your Pension is Funded

In addition to member and employer contributions, investment income typically funds the greater portion of members' retirement benefits. To minimize financial risk, URS diversifies its investment portfolio. The pension funds' 2019 return was 14.45%.

## Additions by Source

(in millions)



## Benefits Paid to Members

### Pension Benefit Payments: Secure and Growing

URS exists to secure and pay your retirement benefits. The past six years' benefit payments grew as shown below.

(in millions)



# Financials



## Additions and Deductions

The Statements of Changes in Fiduciary Net Position show the additions (income) and deductions (expenses) of the Systems. Investment earnings and contributions comprise the additions. The deductions are composed almost entirely of benefit payments and refunds. Additions exceeded deductions by nearly \$3.94 billion in 2019.

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



## Net Position

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

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

December 31, 2019 (in thousands)

Total Defined Benefit Pension Plans	
<b>Assets:</b>	
Cash	\$ 558
Receivables:	
Member contributions	754
Employer contributions	58,369
Court fees and fire insurance tax	119
Investments	345,316
Total receivables	404,558
Investments at fair value:	
Short-term securities	1,855,786
Debt securities	6,176,498
Equity investments	13,435,570
Absolute return	5,183,620
Private equity	4,012,872
Real assets	4,947,658
Total investments	35,612,004
Invested securities lending collateral	884,172
Property and equipment at cost, net of accumulated depreciation	8,850
Total assets	36,910,142
<b>Liabilities:</b>	
Securities lending liability	884,172
Disbursements in excess of cash balance	33,891
Compensated absences, post-employment benefits and insurance reserve	22,922
Investment accounts payable	650,601
Real estate liabilities	120,001
Total liabilities	1,711,587
Net position restricted for pensions	\$ 35,198,555

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

December 31, 2019 (in thousands)

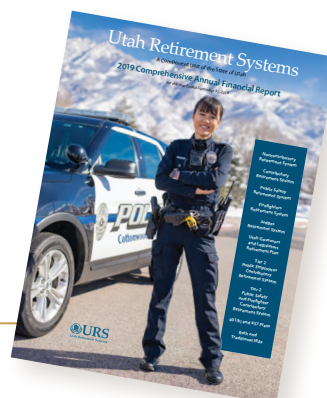
Total Defined Benefit Pension Plans	
<b>Additions:</b>	
Contributions:	
Member contributions	\$ 33,237
Employer contributions	1,198,341
Court fees and fire insurance tax	43,395
Total contributions	1,274,973
Investment income:	
Net appreciation in fair value of investments	3,772,940
Interest, dividends, and other investment income	736,148
Total income from investment activity	4,509,088
Less investment expenses	68,305
Net income from investment activity	4,440,783
Income from security lending activity	6,418
Less security lending expense	838
Net income from security lending activity	5,580
Net investment income	4,446,363
Transfers from affiliated systems	19,653
Total additions	5,740,989
<b>Deductions:</b>	
Retirement benefits	1,491,679
Cost-of-living benefits	272,253
Supplemental retirement benefits	396
Refunds	6,118
Administrative expenses	11,857
Transfers to affiliated systems	19,653
Total deductions	1,801,956
Increase from operations	3,939,033
Net position restricted for pension benefits beginning of year	31,259,522
Net position restricted for pension benefits end of year	\$ 35,198,555

### UTAH RETIREMENT SYSTEMS Schedules of Net Pension Liability

December 31, 2019 (dollars in thousands)

Retirement System	(1) Total Pension Liability	(2) Plan Fiduciary Net Position	(3) Employers' Net Pension Liability/(Asset)	(4) Plan Fiduciary Net Position as a % of the Total Pension Liability (2) / (1)	(5) Projected Covered Payroll	(6) Pension Liability/(Asset) as a % of Covered Payroll (3) / (5)
Noncontributory	\$ 30,351,815	\$ 27,635,923	\$ 2,715,892	91.1%	\$ 3,328,314	81.6%
Contributory	1,270,111	1,262,292	7,819	99.4	34,317	22.8
Public Safety	4,460,415	3,984,186	476,229	89.3	339,705	140.2
Firefighters	1,316,620	1,391,553	(74,933)	105.7	113,330	(66.1)
Judges	259,181	220,293	38,888	85.0	19,596	198.4
Utah Governors and Legislative	13,053	11,344	1,709	86.9	639	267.4
Tier 2 Public Employees	634,074	611,583	22,491	96.5	1,380,488	1.6
Tier 2 Public Safety and Firefighters	90,787	81,381	9,406	89.6	156,778	6.0
Total	\$ 38,396,056	\$ 35,198,555	\$ 3,197,501	91.7%	\$ 5,373,167	59.5%

**To Learn More** This Summary Report contains excerpts from the URS 2019 Comprehensive Annual Financial Report, containing detailed financial information about URS. Find it at [www.urs.org/us/2019](http://www.urs.org/us/2019)



# URS Savings Plans

## Total Balances by Investment Option and Rates of Return

Percentage Total of Each Investment Option

December 31, 2019  
(dollars in thousands)

Percentage of Total Fair Value	Investment Option	401(k) Plan	457(b) Plan	Roth IRA	Traditional IRA	Total Investment Balance	2019 Annualized Rates of Return
12.73%	1 Income Fund	\$ 721,041	80,256	14,176	38,770	854,243	2.60%
3.82	2 Bond Fund	215,047	26,728	6,025	8,410	256,210	9.57
8.11	3 Balanced Fund	478,524	43,201	8,238	14,182	544,145	20.24
4.74	4 Large Cap Stock Value Fund	262,926	38,015	9,634	7,327	317,902	24.75
10.69	5 Large Cap Stock Index Fund	632,313	62,092	13,559	9,930	717,894	31.15
7.05	6 Large Cap Stock Growth Fund	394,271	51,164	14,732	12,919	473,086	32.27
3.08	7 International Fund	179,468	20,744	4,117	2,524	206,853	21.55
4.36	8 Small Cap Stock Fund	247,394	32,231	8,678	4,364	292,667	21.56
1.68	9 Tier 2 DC Nonvested	112,879	N/A	N/A	N/A	112,879	17.40
1.13	10 Retired Fund	57,336	8,084	1,851	8,472	75,743	10.35
1.67	11 2010 Fund	87,623	9,110	2,163	13,106	112,002	10.83
3.36	12 2015 Fund	190,653	18,763	5,074	11,211	225,701	12.03
5.85	13 2020 Fund	334,792	36,515	9,449	11,684	392,440	14.28
6.06	14 2025 Fund	350,953	33,842	13,336	8,426	406,557	16.58
4.68	15 2030 Fund	268,166	30,783	10,984	4,299	314,232	19.76
4.68	16 2035 Fund	266,707	31,617	12,769	3,048	314,141	21.74
4.36	17 2040 Fund	243,753	33,810	13,260	1,869	292,692	23.35
3.60	18 2045 Fund	203,429	24,662	12,491	1,364	241,946	23.78
2.32	19 2050 Fund	133,768	11,981	9,524	481	155,754	23.78
1.20	20 2055 Fund	69,802	4,539	5,262	809	80,412	23.78
0.31	21 2060 Fund	15,443	2,843	1,737	576	20,599	23.78
3.11	22 Brokerage Window	171,023	33,565	3,279	656	208,523	N/A
1.44	23 Loan Fund	85,529	10,908	N/A	N/A	96,437	N/A
100.00%	Total	\$ 5,722,840	645,453	180,338	164,427	6,713,058	

## 1 Choose Your Plan.

401(k), 457(b), Traditional IRA, and Roth IRA (may be subject to employer participation).

## 2 Choose Your Investments.

Target Date Funds offer a one-fund approach to investing, giving you a diversified portfolio through a single investment option. Each fund is comprised of a different mix of investment types that gradually adjust over time. They automatically reallocate more conservatively as you age and enter retirement.

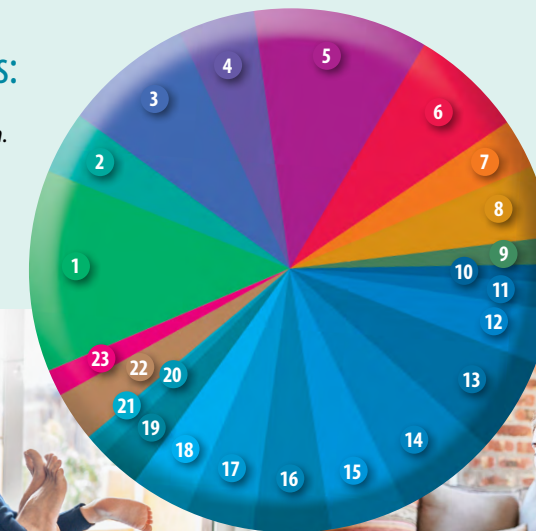
**Core investment funds** let you design your own diversified portfolio.

**Personal Choice Retirement Account (PCRA)** is for experienced investors looking for specific investments.

## Growing Personal Investments:

Member balances in the 401(k), 457(b), and IRAs at year-end 2019 totaled over \$6.7 billion.

Learn more about URS Savings Plans at [www.urs.org/us/savings](http://www.urs.org/us/savings)



*"Good health is not something we can buy. However, it can be an extremely valuable savings account."*

— ANNE WILSON SCHAEF





From left: Ryan G. Hessenthaler (President), Larry W. Evans, Laura O. Houston, Roger G. Donohoe, Edward T. Alter, David C. Damshen (Vice-President), William W. Wallace

## Meet the Board

As of December 31, 2019

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

### MEMBERSHIP ADVISORY COUNCIL

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

#### Executive Committee Members / Represents

- Mr. Marty Peterson (Chairperson) .....Professional Firefighters of Utah
- Mr. Richard Petersen (Vice Chairperson) .....Utah Public Employees' Association
- Mr. Stuart Bailey .....Utah Education Association
- Ms. Amy Ehresman .....Utah School Employees' Association
- Mr. Zane Woolstenhulme .....Utah Association of School Business Officials

#### Council Members / Represents

- Mr. Brandon Baca .....Utah Education Association
- Mr. LeGrand Bitter .....Utah Association of Special Service Districts
- Mr. Jamie Davidson .....Utah League of Cities and Towns
- Ms. Marilyn Gillette .....Utah Association of Counties
- Senior Trooper Arlow Hancock .....Utah Peace Officers' Association
- Mr. Michael Harman .....Utah Education Association
- Ms. Debra McBride .....Utah Association of Retired Public Employees
- Mr. Larry Millward .....Utah Retired School Employees' Association
- Ms. Sheri K. Nelson .....Utah Public Employees' Association
- Honorable Kara Pettit .....Utah Judicial Council

*"The chief condition on which life, health, and vigor depend is action. It is by action that an organism develops its faculties, increases its energy, and attains the fulfillment of its destiny."*

— COLIN POWELL



## Want to Know More?



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

Please visit [www.urs.org](http://www.urs.org) or call us. We can explain your benefits one-on-one or to your group.



#### Write

Salt Lake Office, P.O. Box 1590  
Salt Lake City, UT 84110-1590  
St. George Office, 165 North 100 East #9  
St. George, UT 84770-2505



#### Call

Salt Lake Office  
801-366-7700 • 800-365-8772  
Pension Benefits  
801-366-7770 • 800-695-4877  
401(k), 457(b), IRA, HRA  
801-366-7720 • 800-688-401k  
St. George Office  
435-673-6300 • 800-950-4877



#### Fax

Salt Lake Office: 801-366-7734  
401(k), 457(b), IRA: 801-366-7445  
St. George Office: 435-634-0654



#### Visit

The URS offices in Salt Lake City and St. George are currently closed to visitors. Go to [newsroom.urs.org/covid-19](http://newsroom.urs.org/covid-19) for updates.

URS 2019 Summary Annual Report  
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The URS 2019 Summary Report to Members contains summary financial and actuarial information from the URS 2019 Comprehensive Annual Financial Report. See the full report at [www.urs.org/us/2019](http://www.urs.org/us/2019). Request a printed copy or by emailing [publications@urs.org](mailto:publications@urs.org).

