

# Utah Retirement Benefit/Contribution Summary

## 2015 System<sup>a</sup> Comparison



	<b>Public Employees' Noncontributory (Big System)</b> (Existing employees and hires before July 1, 2011)	<b>Tier II New Public Employees' Contributory Hybrid</b> (One of two options for new employees beginning July 1, 2011)	<b>Tier II Defined Contribution New Public Employees' and New Public Safety and Firefighters'</b> (One of two options for new employees beginning July 1, 2011)	<b>Public Safety Contributory and Noncontributory and Firefighters' Contributory</b> (Existing employees and hires before July 1, 2011)	<b>Tier II New Public Safety and Firefighters' Contributory Hybrid</b> (One of two options for new employees beginning July 1, 2011)	<b>Judges' Non-Contributory</b>
<b>Participants</b>	State/Public Education, Classified School, Higher Education, Political Subdivisions, and Other Governmental Entities	State/Public Education, Classified School, Higher Education, Political Subdivisions, and Other Governmental Entities	Public Employees, Public Safety Employees, Firefighters, and Elected Officials	Peace Officers, Correctional Officers, and approved Special Function Officers Full-Time Firefighters regularly assigned to a fire department	Peace Officers, Correctional Officers, and approved Special Function Officers; Full-Time Firefighters regularly assigned to a fire department	Judges of the Supreme, Appellate, District, Circuit, and Juvenile Courts
<b>Eligibility for Retirement</b>	Any age 30 years Age 60 20 years (AR) <sup>b</sup> Age 62 10 years (AR) Age 65 4 years Any age 25 years  (FAR <sup>c</sup> or optional employee/ employer purchase of up to 5 years immediately before retirement)	Any age 35 years Age 60 20 years (FAR) Age 62 10 years (FAR) Age 65 4 years  Optional employee/employer purchase of up to 5 years immediately before retirement  DC <sup>d</sup> portion from employer is vested after four years	DC portion from employer is vested after four years	Any age 20 years Age 60 10 years Age 65 4 years	Any age 25 years Age 60 20 years (FAR) Age 62 10 years (FAR) Age 65 4 years  Optional employee/employer purchase of up to 5 years immediately before retirement  DC portion from employer is vested after four years	Any age 25 years Age 55 20 years (FAR) Age 62 10 years (FAR) Age 70 6 years
<b>Service Benefit Formula</b>	$2\% \text{ (for all years)} \times \text{FAS}^e$  No maximum benefit	$1.5\% \text{ (for all years)} \times \text{FAS}$  No maximum benefit	NA	$2.5\% \times \text{FAS} \times \# \text{ of years for the first 20 years}$ <b>plus</b> $2\% \times \text{FAS} \times \# \text{ of years above 20}$  No maximum benefit	$1.5\% \text{ (for all years)} \times \text{FAS}$  No maximum benefit	$5\% \times \text{FAS} \times \text{first 10 years}$ $2.25\% \times \text{FAS} \times \text{second 10 years}$ $1\% \text{ of FAS} \times \text{remaining years}$  No maximum benefit
<b>Final Average Salary Definition</b>	Average of highest 3 years	Average of highest 5 years	NA	Average of highest 3 years	Average of highest 5 years	Average of highest 2 years
<b>Cost of Living Adjustment</b>	Up to 4% annually (CPI) (Simple) after 1 year	Up to 2.5% annually (CPI) (Simple) after 1 year	NA	Up to 4.0% annually (CPI) (Simple) after 1 year <sup>f</sup>	Up to 2.5% annually (CPI) (Simple) after 1 year	Up to 4% annually (CPI) (Compounded) after 1 year

	<b>Public Employees' Noncontributory (Big System)</b>	<b>Tier II New Public Employees' Contributory Hybrid</b>	<b>Tier II Defined Contribution New Public Employees' and New Public Safety and Firefighters'</b>	<b>Public Safety Contributory and Noncontributory and Firefighters' Contributory</b>	<b>Tier II New Public Safety and Firefighters' Contributory Hybrid</b>	<b>Judges' Non-Contributory</b>
<b>Employer/Employee Contribution (Percentage of Salary)</b>	<b>Employer:</b> for FY 2016 22.19% for state/school  <b>Employee:</b> 0% noncontributory	<b>*Employer:</b> 10% plus for FY 2016 for state/school: 0.08% for death benefit and 9.94% Tier I amortization = 20.02% total; (8.22% for DB <sup>g</sup> and 1.78% for DC=10%)  <b>Employee:</b> some percentage of salary, if the employer's 10% does not fund the defined benefit (for FY 2016: 0%)	<b>*Public Employees' Employer:</b> 10% for DC plus for FY 2016 for state/school: 0.08% for death benefit and 9.94% Tier I amortization = 20.02% total  <b>Employee:</b> 0% <b>*PS<sup>h</sup> Employer:</b> 12% for DC plus for FY 2016 state PS: 0.08% for death benefit and 18.46% Tier I amortization = 30.54% total; (same for Firefighters except 0% for Tier I amortization = 12.08 total)  <b>Employee:</b> 0%	<b>Employer:</b> for FY 2016: 41.35% for state PS Noncontributory 41.99% for state PS Contributory Firefighters 30.58% for div. A (less 11.54% offset for insurance premium) (19.04% net rate for Firefighters)  <b>Employee:</b> 0% state PS Noncontributory 15.05% div. A Firefighters	<b>*Employer:</b> 12% plus for FY 2016 for state PS: 0.08% for death benefit and 18.46% Tier I amortization = 30.54% total; (10.67% for DB and 1.33% for DC=12%) (same for Firefighters except 0% for Tier I amortization = 12.08% total)  <b>Employee:</b> some percentage of salary, if the employer's 12% does not fund the defined benefit (for FY 2016: 0%)	<b>Employer:</b> for FY 2016 51.91% (less 10.33% offset for court fees) 41.58% total  <b>Employee:</b> 0% Noncontributory
<b>Employer Defined Contribution Benefit Percentage of Salary</b>	State/School: 1.5% 401(k) Local government: optional	Some percentage, if any, left after funding the defined benefit (for FY 2016, state/school: 1.78%)	10% see above (all Public Employees, Legislators, and Governors) 12% see above (all PS Officers and Firefighters)	State: none Local government: optional	Some percentage, if any, left after funding the defined benefit (for FY 2016 PS Officers and Firefighters: 1.33%)	None

<sup>a</sup> Systems not shown include Public Employees' Contributory, Public Safety Contributory, Judges' Contributory, and Judges' Noncontributory.

<sup>b</sup> AR = Actuarial Reduction (3% per year under age 65)

<sup>c</sup> FAR = Full Actuarial Reduction (some percentage for each year the retiree is under age 65)

<sup>d</sup> DC = Defined Contribution

<sup>e</sup> FAS = Final Average Salary

<sup>f</sup> Some PS Employers did not adopt the 4.0% and remain at up to 2.5%

<sup>g</sup> DB = Defined Benefit

<sup>h</sup> PS = Public Safety

**Note:** Employer also pays a rate for a death benefit and a Tier I amortization rate for the corresponding Tier I system liability. Excluding Governors and Legislators.

**Sources:** Utah Retirement Systems Final Retirement Contribution Rates FY 2015-16; and Title 49, Utah State Retirement and Insurance Benefit Act, *Utah Code Annotated 1953*