



28 (1) There is created a common trust fund known as the "Utah State Retirement  
29 Investment Fund" for the purpose of enlarging the investment base and simplifying investment  
30 procedures and functions.

31 (2) (a) The board shall act as trustees of the Utah State Retirement Investment Fund  
32 and, through the executive director, may commingle and pool the funds and investments of any  
33 system, plan, or program into the Utah State Retirement Investment Fund, if the principal  
34 amounts of the participating funds do not lose their individual identity and are maintained as  
35 separate trust funds on the books of the office.

36 (b) (i) In combining the investments of any fund, each of the participating funds shall  
37 be credited initially with its share of the total assets transferred to the Utah State Retirement  
38 Investment Fund.

39 (ii) The value of the transferred assets shall be calculated in accordance with generally  
40 accepted accounting principles.

41 (c) Subsequent transfers of additional capital from participating funds shall be credited  
42 similarly to its respective trust account.

43 (d) The income or principal or equity credit belonging to one participating fund may not  
44 be transferred to another, except for the purpose of:

45 (i) actuarially recommended transfers in order to adjust employer contribution rates for  
46 an employer that participates in both contributory and noncontributory systems; or

47 (ii) transfers which reflect the value of service credit accrued in different systems  
48 during a member's career.

49 (3) The assets of the funds are for the exclusive benefit of the members, participants,  
50 and covered individuals and may not be diverted or appropriated for any purpose other than  
51 that permitted by this title.

52 (4) (a) Interest and other earnings shall be credited to each participating fund on a pro  
53 rata equity position basis.

54 (b) (i) A portion of the interest and other earnings of the common trust fund may be  
55 credited to a reserve account within the Utah State Retirement Investment Fund to meet  
56 adverse experiences arising from investments or other contingencies.

57 (ii) Each participating fund shall retain its proportionate equity in the reserve account.

58 (5) (a) The actuarial funded ratio of the systems may reach and be maintained at 110%.

59 as determined by the board's actuary using assumptions adopted by the board, before the board  
60 is required to certify a decrease in contribution rates.  
61 (b) The board may not increase contribution rates to attain an actuarial funded ratio  
62 greater than 100%.

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**Legislative Review Note**  
**as of 1-9-04 3:37 PM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**

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**Fiscal Note**

State Retirement-Funded Ratio

19-Jan-04

**Bill Number HB0083**10:19 AM

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**State Impact**

This bill will have no immediate fiscal impact. However, if the Utah Retirement System's actuarial funded ratio reached up to 110 percent, it would provide a level of cushion should the investment returns decline in the future.

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**Individual and Business Impact**

No fiscal impact.

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**Office of the Legislative Fiscal Analyst**