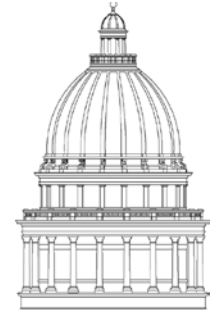


Office of
LEGISLATIVE AUDITOR GENERAL
State of Utah

**REPORT NUMBER ILR2013-B
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**A Review of Retirement Pensions of
\$100,000 or More**



Twenty-one current retirees (.044 percent of all 48,000 current retirees) were identified as receiving an annual retirement pension from the Utah Retirement System (URS) equaling or exceeding \$100,000. The identified retirement pensions appeared reasonable given each retiree's years of service, job title, and final average salary (an average of the retiree's two or three highest salary years, depending on the retirement system). Consequently, we do not believe that further audit work is necessary.

The URS has about 465 participating employers, including not only the State of Utah, but also counties, municipalities, public education, higher education, and local districts. In 2011, approximately 48,000 retirees were receiving pensions from the URS.

For this review, URS personnel identified all current retirees whose maximum annual benefit (the benefit under URS pension payout option one) equaled or exceeded \$100,000. (The URS offers six retirement pension payout options. Option one provides the highest annual benefit.) This initial review identified 37 retirees who could receive a pension equaling or exceeding \$100,000. From this group of 37 retirees, URS personnel identified those retirees whose base pension (i.e., the pension benefit actually received) equaled or exceeded \$100,000. In addition to identifying the base pension benefit, final average salary, and years of service for each retiree, job title and employer were also identified.

URS personnel identified all current retirees whose annual base pension benefit is \$100,000 or more.

Of the 48,000 current retirees, 21 (.044 percent) receive an annual pension of \$100,000 or more.

Of the approximately 48,000 current retirees, 21 (.044 percent) receive an annual pension equaling or exceeding \$100,000. Figure 1 provides information—ranges and averages—describing the group’s pension benefit, final average salary, and years of service by employer.

Figure 1. Information on the 21 Current Retirees Who Receive Annual Pensions Equaling or Exceeding \$100,000. These retirees were all executive level employees and their salaries reflect that fact. The years of service are also high, on average, with one retiree working almost 44 years.

	Courts	Education	Local Gov.
Retirees	12	7	2
Pension Benefit			
Range- Low	\$ 100,345	\$ 100,900	\$ 118,710
Range- High	121,270	142,855	129,470
Average	107,895	123,500	124,090
Final Avg. Salary			
Range- Low	\$ 109,590	\$ 124,000	\$ 168,105
Range- High	139,375	224,335	200,540
Average	129,420	188,140	184,325
Years of Service			
Range- Low	22.9 *	32	34.3
Range- High	43.5	42.5	38.5
Average	33.8	37.9	36.4

**This retiree was a 66-year old judge. Under the Judges’ Retirement System, a judge 65 years or older and with six years of service can retire with full benefits.*

Source: URS data and auditor analysis

Of these 21 retirees, 57 percent were judges and 33 percent were, for the most part, superintendents within the public education system. The 10 percent remaining held executive level positions in local government. Four court retirees (33 percent), three education retirees (43 percent) and one local government retiree (50 percent) had 38 or more years of service, while six education retirees (86 percent) and both local government retirees (100 percent) had final average salaries of \$150,000 or more, including three education retirees (43 percent) and one local government retiree (50 percent) whose salaries were \$200,000 or more.

In summary, only .044 percent of all retirees were identified as receiving an annual pension of \$100,000 or more. Our review did not identify any retiree whose pension benefit looked unusual, given the retiree’s years of service, job title, and final average salary. Consequently, we believe that no further audit work is necessary.