Summary

The Utah Retirement Systems (URS) was established by the Legislature to provide retirement, health, dental, disability, and life benefits to government employees in the State of Utah. While URS contains the Public Employee Health Program (PEHP), this brief focuses on the Retirement Office. A separate brief addresses the PEHP. The state, as well as other political subdivisions, participates in the retirement plans.

Unlike other state agency budgets, the URS budget is “subject to legislative and executive department budgetary review and comment,” but does not require Legislative appropriations. URS submits budgets to the governor and the Legislature for the actual, authorized, and requested years after the Utah State Retirement Board approves them.

The “Authorized” or current year budgets submitted to the Legislature from previous years did not reflect adjustments made by the Utah Retirement Board. Instead those budgets reflected the requested year budget presented the previous year to the governor and the Legislature. Figure 1 highlights how budgets presented to the Legislature changed from authorized to actual. The Analyst has worked with URS to present budget numbers for FY 2011 that reflect changes made by the Retirement Board. These changes are included in the Budget Detail Table at the end of the brief and are reflected in Figure 2.

Figure 3 shows the components of the FY 2012 requested URS budget. Personnel accounts for 20% of budgeted expenditures. The majority of the budget (78%) is for current expenses, most of which is for investment advisors in the Investments program:

- $52.1 million is investment advisors,
- $1.7 million is for attorney fees,
- $0.9 million is for professional services,
- $1.0 million is for office rental,
- $0.9 million is for postage and mailing.
Rate Increases

Revenue for URS comes from rates charged to employers participating in the retirement systems. Over the last fifteen years the state’s rate for the noncontributory system has increased to 16.86% of salary.

Figure 4

Budget Detail Table