

Utah Retirement Benefits/Contribution Summary

System Comparison | 2019

| | Public Employees' Non-Contributory "Big System" | Public Safety Contributory and Non-Contributory and Firefighters' Contributory | Judges' Contributory and Non-Contributory | Tier 2 New Public Employees' Contributory System | Tier 2 New Public Safety and Firefighters' Contributory System |
|---------------------------------|--|---|---|---|--|
| | 159,459 | 16,193 / 3,444 | 279 | 32,326 | 3,431 |
| Participants | <ul style="list-style-type: none"> State/Public Education Classified School Higher Education Political Subdivisions Other governmental entities Existing employees and hires before July 1, 2011 | <ul style="list-style-type: none"> Peace Officers, Correctional Officers, and approved Special Function Officers Full-time Firefighters regularly assigned to a fire department Existing employees and hires before July 1, 2011 | <ul style="list-style-type: none"> Judges of the Supreme, Appellate, District, Circuit, and Juvenile Courts | <ul style="list-style-type: none"> Same participants as Public Employees' Non-Contributory Two options for new employees beginning July 1, 2011: hybrid system or defined contribution only system Elected Officials are only allowed defined contribution | <ul style="list-style-type: none"> Same as Public Safety Contributory and Non-Contributory and Firefighters' Contributory One of two options for new employees beginning July 1, 2011 |
| Eligibility for Retirement | any age 30 years age 60 20 years (AR) ⁱ age 62 10 years (AR) age 65 4 years any age 25 years (FAR or optional employee/employer purchase of up to 5 years immediately before retirement) | any age 20 years age 60 10 years age 65 4 years | any age 25 years age 55 20 years (FAR) age 62 10 years age 70 6 years | any age 35 years age 60 20 years (FAR) ⁱⁱ age 62 10 years (FAR) age 65 4 years optional employee/employer purchase of up to 5 years immediately before retirement DC ⁱⁱⁱ portion from employer is vested after four 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 |
| Service Benefit Formula | 2% (for all years) × FAS ^{iv} <i>No maximum benefit</i> | 2.5% × FAS × first 20 years 2% × FAS × years above 20 <i>No maximum benefit</i> | 5% × FAS × first 10 years 2.25% × FAS × second 10 years 1% of FAS × remaining years <i>No maximum benefit</i> | 1.5% (for all years) × FAS <i>No maximum benefit</i> | 1.5% (for years accrued before July 1, 2020) × FAS 2% (for years accrued after July 1, 2020) × FAS <i>No maximum benefit</i> |
| Final Average Salary Definition | Average of highest 3 years | Average of highest 3 years | Average of highest 2 years | Average of highest 5 years | Average of highest 5 years |

| | Public Employees' Non-Contributory "Big System" | Public Safety Contributory and Non-Contributory and Firefighters' Contributory | Judges' Contributory and Non-Contributory | Tier 2 New Public Employees' Contributory System | Tier 2 New Public Safety and Firefighters' Contributory System |
|--|--|---|---|---|---|
| | 159,459 | 16,193 / 3,444 | 279 | 32,326 | 3,431 |
| Employer/Employee Contribution (% of Salary) | <p>Employer: for FY 2020, 12.25% + 9.94% = 22.19% for state/school: 11.86% + 6.61% = 18.47% for local gov.</p> <p>Employee: 0% noncontributory</p> | <p>Employer: for FY 2020, 41.35% for state PS Non-C 36.66% for state PS Contr. 30.72% for div. A Firefighters (less 11.06% offset for insurance premium 19.66% net rate for firefighters)</p> <p>Employee: 0% state PS noncontributory 15.05% div. A Firefighters</p> | <p>Employer: for FY 2020, 51.91% (less 8.16% offset for court fees) 43.75% net rate</p> <p>Employee: 0% noncontributory</p> | <p>*Employer: for state/school FY 2020, 10% plus: 0.08% death benefit and 9.94% Tier I amortization = 20.02% total; (8.97% for DB^v and 1.03% for DCⁱⁱⁱ=10%)</p> <p>Employee Hybrid: some percentage of salary, if the employer's 10% does not fund the defined benefit (for FY 2020 0%)</p> | <p>*Employer: for state PS FY 2020, 12%^{vi} plus: 0.08% death benefit and 18.46% Tier I amortization = 30.54% total; (11.30% DB^v and 0.70% DCⁱⁱⁱ=12%) (same for firefighters except 0% for Tier amortization = 12.08% total)</p> <p>Employee: some percentage of salary, if the employer's 12%^{vi} does not fund the defined benefit (for FY 2020 0%)</p> |
| Cost of Living Adjustment | Up to 4% annually (CPI) (Simple) after 1 year | Up to 4.0% annually (CPI) (Simple) after 1 year <small>some public safety employers did not adopt the 4.0% and remain at up to 2.5%</small> | Up to 4% annually (CPI) (Compounded) after 1 year | Up to 2.5% annually (CPI) (Simple) after 1 year | Up to 2.5% annually (CPI) (Simple) after 1 year |
| Employer Defined Contribution Benefit % of Salary | State/School: 1.5% 401(k) Local government: Optional | State: None Local government: Optional | None | Some percentage, if any, left after funding the defined benefit (for FY 2020 state and school 1.03%) For defined contribution only, 10% (all public employees, legislators, and governors) | Some percentage, if any, left after funding the defined benefit (for FY 2020 PS and firefighters 0.70%) For defined contribution only, 12% ^{vi} (all public safety officers and firefighters) |

ⁱ AR = Actuarial Reduction (3% per year under age 65)

ⁱⁱ FAR = Full Actuarial Reduction (some % each year under age 65)

ⁱⁱⁱ DC = Defined Contribution

^{iv} FAS = Final Average Salary

^v DB = Defined Benefit

^{vi} 12% for FY 2020, but will be 14% for a fiscal year beginning on or after July 1, 2020