



Financial Status Report

Funded Status and FY 2025-26 Preliminary Contribution Rates



Trust • Commitment • Value • Innovation • Excellence

DB Program Key Stats on Dec. 31, 2023



\$45.2 Billion
(net position)



9.4%
(Rate of Return)



258+ thousand
Members
(active, vested, and retired)



492
Active
Employers



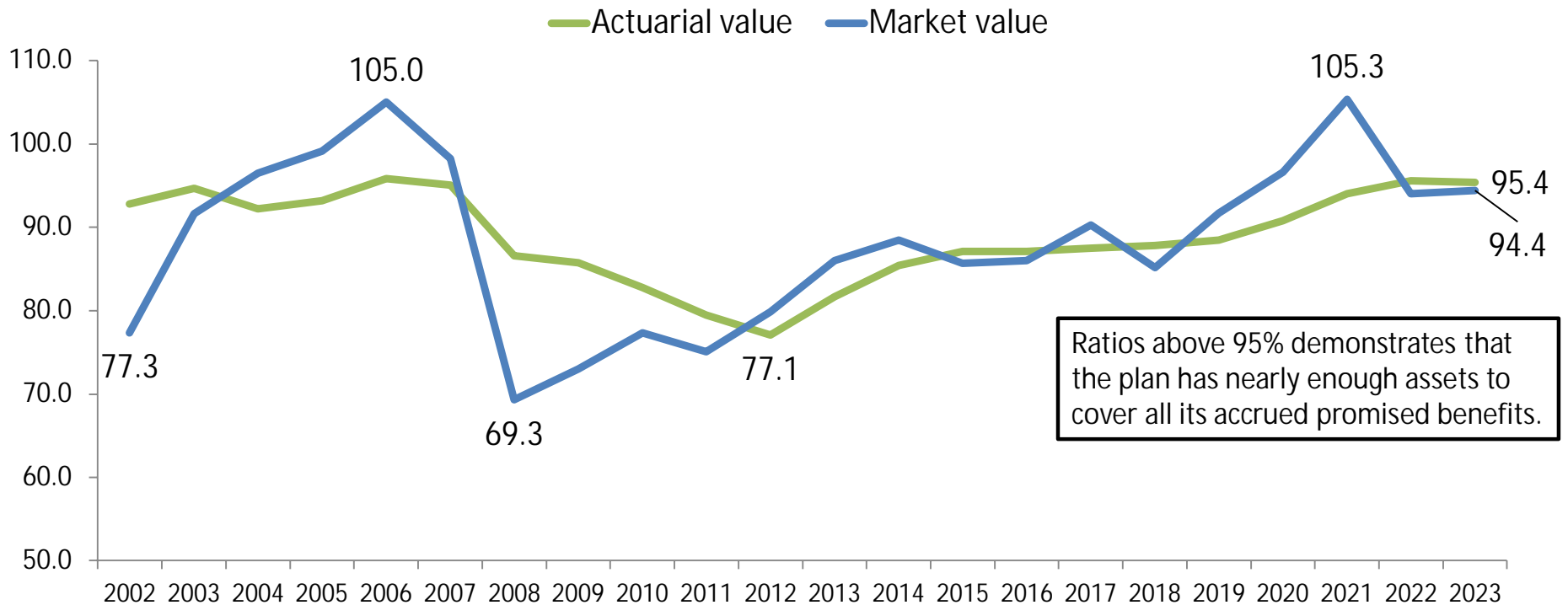
80+ thousand
(Retirees and Beneficiaries)



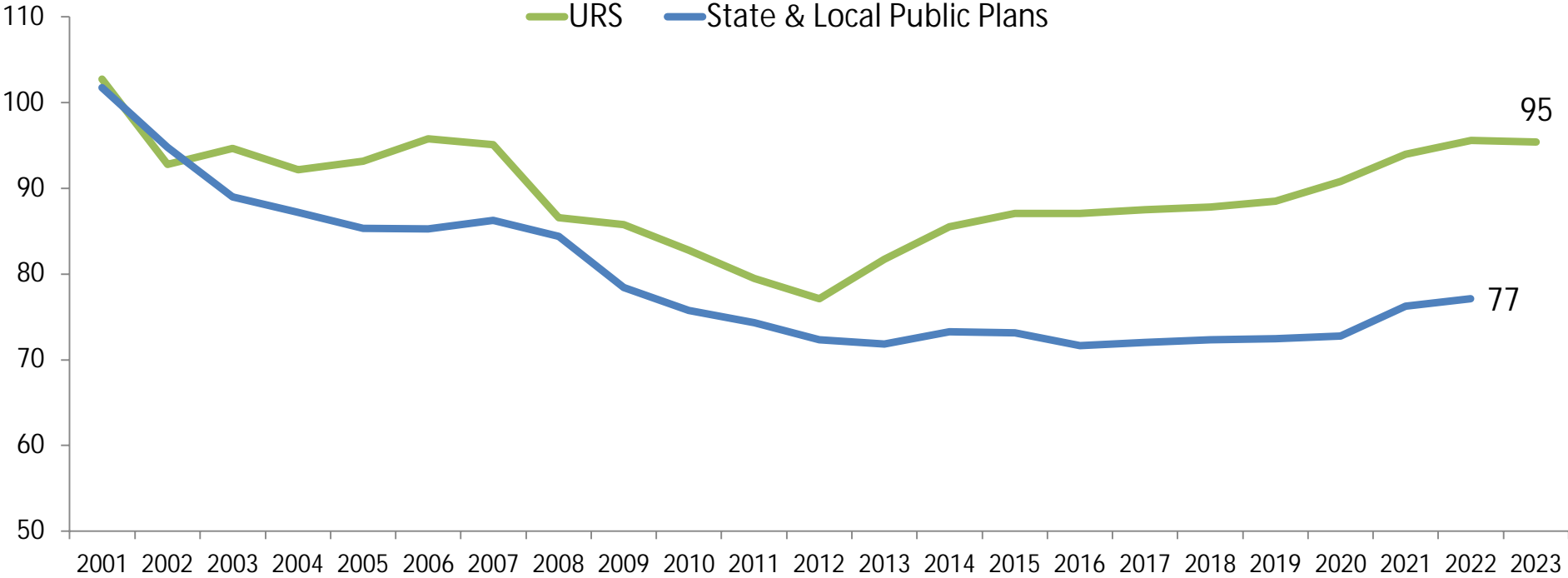
95% Funded
(Actuarial smoothed value
of assets)

The URS diversified investment portfolio experienced notable gains to an all time high of \$45.2 billion rebounding from a challenging 2022 with significant returns in public equity markets.

DB Plan Funded Ratio (on Dec 31)



Actuarial Funded Ratio Smoothed (on Dec. 31)



Aggregate funded ratio of state and local public plans – *Public Plans Database*
National data averages are weighted by plan size (Apr 2024)



Tier 2 Preliminary Contribution Rates

System	Tier 2 Hybrid Contribution Rate	FY2025-26 Increase	Employer	Member	Employer "Pick-up" of member contributions
Tier 2 Public Employees	10.81%	0.11%	10.08%*	0.81%	Prohibited by statute
Tier 2 Public Safety and Firefighter	18.81%	None	14.08%*	4.73%	Allowed – Amount depends on employer's election

*Includes 0.08% employer paid active member death benefit (75% of pay)



2007-2022 Year over Year Salary Increase

Year	State	Average Increases for Continuing Members				Firefighters
		Teachers	Local	Public Safety		
2007	7.8%	9.8%	7.1%	7.7%	6.8%	
2008	6.9%	7.4%	6.8%	7.5%	6.4%	
2009	2.9%	3.9%	3.4%	4.0%	4.0%	
2010	1.4%	1.2%	1.4%	0.8%	2.1%	
2011	2.3%	3.2%	2.7%	2.3%	2.5%	
2012	2.7%	2.5%	3.0%	2.6%	2.7%	
2013	3.0%	3.4%	3.9%	3.4%	3.4%	
2014	3.4%	3.7%	3.7%	3.9%	3.7%	
2015	4.6%	4.5%	4.6%	4.6%	4.7%	
2016	4.8%	6.0%	4.6%	5.4%	5.1%	
2017	4.6%	6.7%	4.9%	5.7%	5.4%	
2018	5.2%	7.8%	5.4%	6.1%	5.1%	
2019	5.3%	7.5%	5.8%	7.1%	6.1%	
2020	4.2%	7.7%	4.9%	5.2%	5.5%	
2021	6.0%	8.6%	6.0%	7.7%	6.1%	
2022	7.9%	7.0%	9.9%	16.4%	9.4%	
Last 10	4.9%	6.3%	5.4%	6.6%	5.5%	
Last Exp Study	3.7%	4.7%	4.0%	4.2%	4.1%	

Prior Experience Study

Current Experience Study

2023 Pay Increases

Group	Count	Expected Pay Increase	Actual Pay Increase
Educators	29,615	5.7%	9.9%
State	20,830	4.6%	10.4%
Local Government	17,432	5.0%	10.2%
Public Safety	6,556	5.9%	12.2%
Firefighters	2,138	5.5%	10.9%



Contribution Rate Management

- » The Utah State Retirement Board and consulting actuary designed a prudent method for managing the reduction of the contribution rate in accordance with the 110% funding rule adopted by the Legislature.
- » Smooths rate decreases to mitigate impact of large decreases in the future and possible contribution rate increases.
- » Factors include:

Funded Ratio Actuary Basis	Projected Years to 100% Funding	Contribution Rate Change from Prior Year Required Actuary Rate	Contribution Rate Margin Difference between Board certified rate and actuarially determined rate
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Amortization Rate Decreases

Beginning July 1

Risk Pool	2022	2023	2024	2025	Cumulative
Firefighters	-1.00%	-	-2.00%	-2.00% (Div. B)	5.00%
Local Government	-0.50%	-	-1.00%	-1.00%	2.50%
State and School	-	-	-0.50%	-0.50%	1.00%

FY2025-26 Preliminary Contribution Rates

Public Employees

Contributory Retirement System

11- Local Government

Public Employees

Noncontributory Retirement System

15- Local Government

16- State and School

18- Higher Education

Public Safety

Contributory Retirement System

23- Other Division A (2.5% COLA)

Public Safety

Noncontributory Retirement System

42- State

43- Other Division A (2.5% COLA)

75- Other Division A (4% COLA)

44- Salt Lake City

45- Ogden

46- Provo

47- Logan

48- Bountiful

49- Other Division B (2.5% COLA)

76- Other Division B (4% COLA)

Firefighters

31- Division A*

32- Division B*

	Tier 1 Total Contribution Rate	Tier 2 Total Contribution Rate	Amortization Rate Decrease From Prior Year
11- Local Government	17.96%	16.76%	-1.00%
15- Local Government	15.97%	15.00%	-1.00%
16- State and School	21.19%	19.83%	-0.50%
18- Higher Education	21.19%	20.83%	0.00%
23- Other Division A (2.5% COLA)	34.58%	30.08%	0.00%
42- State	40.35%	36.27%	-0.50%
43- Other Division A (2.5% COLA)	33.04%	29.56%	-0.50%
75- Other Division A (4% COLA)	34.71%	30.72%	-0.50%
44- Salt Lake City	46.71%	43.01%	0.00%
45- Ogden	48.72%	45.11%	0.00%
46- Provo	42.23%	38.42%	0.00%
47- Logan	40.97%	37.18%	-0.50%
48- Bountiful	50.38%	45.70%	0.00%
49- Other Division B (2.5% COLA)	32.57%	28.76%	0.00%
76- Other Division B (4% COLA)	35.97%	31.75%	-1.00%
31- Division A*	16.66%	18.81%	0.00%
32- Division B*	19.05%	18.81%	0.00%



Questions?

URS is willing to discuss questions or provide additional information, whether related to this presentation or about other retirement-related issues.

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