

Pension Committee Report



Asset Changes During 2020

(Amounts in millions)

UTAH TRANSIT AUTHORITY



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Valuation Results – Prior Year & Preliminary 2021

(6.75% Return Assumption)

<i>(amounts in millions)</i>	1/1/20 Liabilities; Asset Levels as of 12/31/19	1/1/21 Liabilities; Asset Levels as of 12/31/20
Assets	\$241.8	\$279.9
Actuarial Accrued Liability	<u>\$359.6</u>	<u>\$383.7</u>
Unfunded Liability	\$117.9	\$103.8
Funded Ratio	67%	73%
Normal Cost Rate	9.1%	9.2%
Amortization Rate	<u>6.9%</u>	<u>6.4%</u>
Target Contribution Rate	16.0%	15.6%
100% Funded Ratio Projected by 2034 if Target Rate Contributed Annually Starting in:	2021	2022

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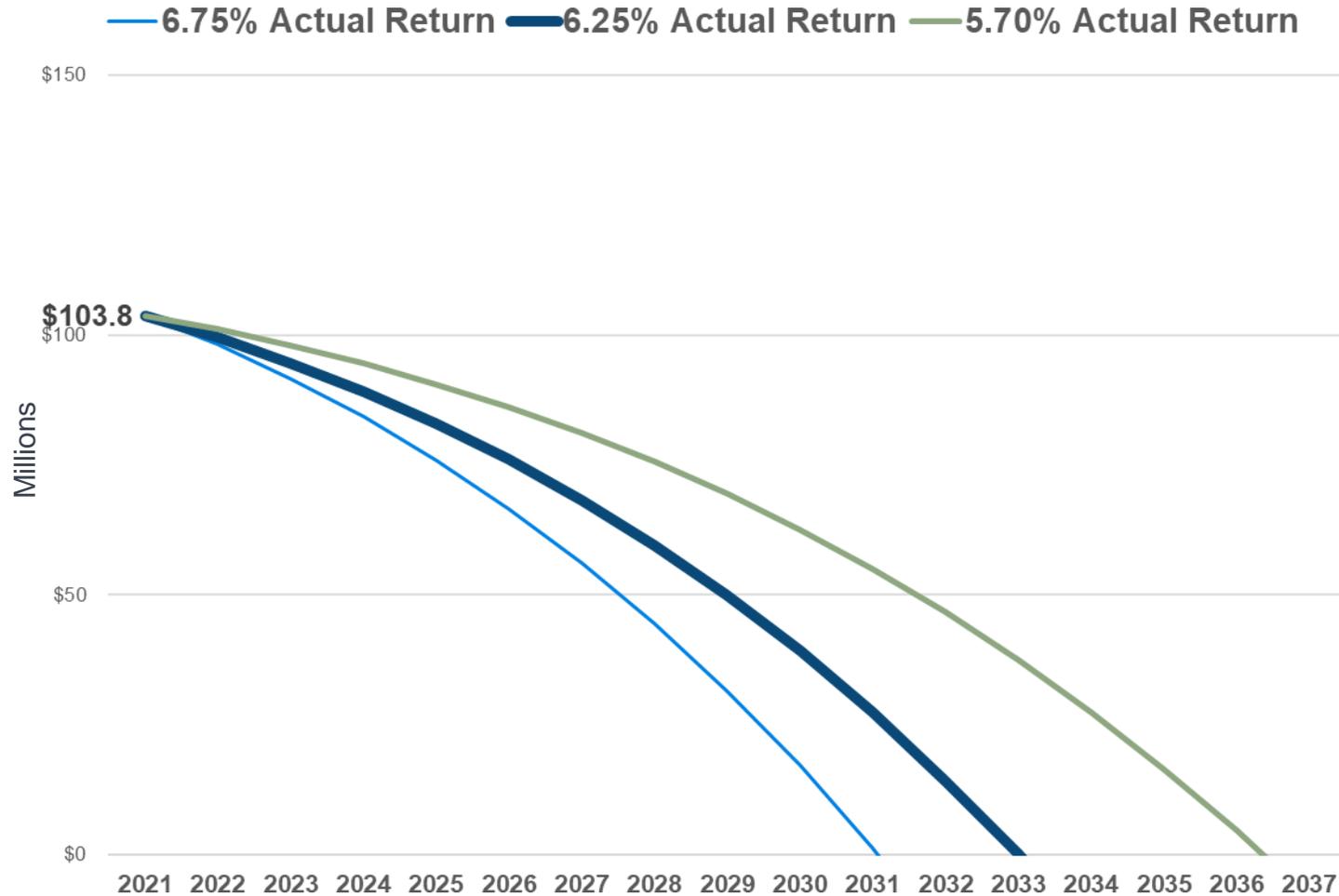


Unfunded Liability at 16.3% Contribution Rate

(6.75% return assumption; does not reflect actual year-to-date 2021 returns)

At 6.75% investment return assumption, calculated target contribution rate starting in 2022: **15.6%**

At 6.50% investment return assumption, calculated target contribution rate starting in 2022: **17.0%**



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Action Item and Next Steps

- Action item for Committee:
 - Identify methods and assumptions to use in the 2021 actuarial valuation
- Next steps:
 - Publication of certified 2021 valuation report based on identified assumptions
 - If investment return assumption is changed, consider optimal administrative timing for potential update to plan's actuarial equivalence interest rate assumption (lump sum calculations)
- Future step:
 - Review “*100% funded ratio by 2034*” target funding policy adopted by Board in 2013

