

STATE POST-RETIREMENT BENEFITS TRUST FUND AND THE  
ELECTED OFFICIAL POST-RETIREMENT BENEFITS TRUST FUND  
BOARD OF TRUSTEES

November 21, 2025

3:00 P.M.

Final Minutes

Meeting Location: Utah State Capitol Building and Electronic.

Board Members Attending: Marlo Oaks, Van Christensen, and Duncan Evans.

Others Attending: Jonathan Ball, Steve Allred, Steve Kapper, Jared Grove, Elliott Clark, Patricia Nelson, Darin Janzen, Kirt Slaugh, Diana Artica and Allen Rollo.

Mr. Oaks opened the meeting. Steve Kapper and Jared Grove from Korn Ferry presented the State of Utah Employees and Elected Officials OPEB actuarial valuations as of December 31, 2024. Steve noted that most significant changes since the prior valuation were the change in discount rate for the State Employees plan from 3.25% to 5.25% which reduced the Total OPEB Liability (TOL) by 8.6% and the updated health care trend rates which reduced the TOL by 0.3% and 0.7%, respectively for the State Employees and Elected Officials plans.

Jared reviewed the valuation results for the State Employees plan and noted that as of the June 30, 2025 measurement date the Net OPEB Liability (NOL) was \$(72.2) vs \$(33.7) as of June 30, 2024 primarily as a result of a decrease in the TOL from \$210 million to \$173.5 million or a change of \$(36.5) million or (17.4)%. The funded ratio increased to 141.6% as of June 30, 2025 from 116% at the end of the prior fiscal year. The Actuarially Determined Contribution (ADC) by plan as of December 31, 2024 indicated that employer contributions were no longer required as compared to the previous year when the Public Safety plan had an ADC of \$ 2 million.

The Elected Officials OPEB plan funded ratio increased to 153.8% from 106.6% as of June 30, 2025 from the prior fiscal year end measurement date. The NOL decreased by \$7.3 million to \$(8.7) million due to an increase in trust fund assets of \$1.7 million and a decrease in the TOL of \$5.6 million. The primary driver in the TOL reduction was an update to health care costs of \$(6.1) million offsetting an expected increase in TOL of \$0.5 million. Jared noted that there was not an ADC as of December 31, 2024 compared to an ADC of \$452 thousand the prior year.

Steve reviewed the primary actuarial assumptions used in the Other Employee Benefits Trust (OEBT) fund which includes a payroll growth of 2.5%, a discount rate of 3.00% and an asset return of 5.25%. Jared noted that the ADC as of June 30, 2025 was \$2.4 million compared to \$7.2 million at the end of the prior fiscal year. The \$2.4 million ADC is entirely attributable to the Transportation plan as compared to the prior year ADC compromised of \$183 thousand for Public Safety, \$4.1 million for General and \$2.9 million for Transportation. Jared recommended that the OEBT plan use a 3% discount rate for several more years until the assets and liabilities have stabilized. The impact on the Actuarial Accrued Liability (AAL) using a 5.25% discount rate is a reduction in the AAL of \$9.4 million from \$85.4 million to \$76 million and an increase in funded ratio from 109.7% to 123.3%.

Mr. Evans made a motion to adopt a 3% discount rate and 5.25% asset return for the OEBS plans and a 5.25% discount rate for the State Employees plan along with the other actuarial assumptions outlined in the presentations. Mr. Christiansen seconded the motion. The board unanimously approved the motion, the vote of each Board member is noted below.

Oaks – Yes

Christensen – Yes

Evans – Yes

Mr. Evans made a motion to adjourn. The meeting was adjourned.