



# 457(b) Savings Plans

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Plan Description

2024

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Welcome to the  
Utah Retirement Systems  
**457(b) Plan**

The Utah Retirement Systems (URS) 457(b) Plan is a governmental 457(b) deferred compensation plan regulated by Section 457 of the Internal Revenue Code, and authorized under Title 49 of the Utah Code.

This *Summary Plan Description* is intended to provide a brief description of the current provisions of the URS 457(b) Plan and is not intended to serve as a complete or final description of this Plan. For additional information about this Plan and investment options, please visit [www.urs.org](http://www.urs.org) or call the URS Savings Plans Department at 801-366-7720 or 800-688-401k.

Planning and saving for retirement isn't always easy, but it is important to do so you can achieve your financial goals. The 457(b) Plan's primary purpose is to help supplement retirement income you may receive from other sources, such as your URS pension, URS 401(k), and your Social Security benefits. This 457(b) Plan can also be a valuable tool for tax planning, as well as an additional source of income for your family if you were to die or become disabled before retirement.

## Eligibility and Participation in the Plan

You may be eligible to participate in this plan if you are an employee of a participating Utah public employer, or an independent contractor who performs service for a participating employer. Examples of participating employers include: 1) the State of Utah, 2) most cities, 3) most counties, 4) school districts, and 5) many special service districts throughout Utah.

You may enroll at any time, as permitted by your employer, and may stop your personal contributions at any time.

## Contributions and Future Investment Allocation

There are typically three types of contributions that may be made into your 457(b) account:

1) employer non-elective contributions, 2) employer matching contributions, and 3) employee personal contributions. Contributions and earnings are immediately and fully vested to you. This means all contributions and earnings in the account are yours, regardless of how long you work for your employer.

Deposits are invested according to the investment elections you have submitted to our office. If no investment instructions are provided to URS, contributions are placed into the Target Date Fund that corresponds to your birthdate (see page 8).

### Employer Non-Elective or Matching Contributions

Your employer determines the amount of any contribution made on its behalf into your account. At your employer's discretion, this can be a fixed dollar amount, a percentage of your wages, or it can be a matching contribution based on your personal contributions. Employer contributions are made as a benefit to you and do not reduce your wages, nor are these contributions subject to state or federal income taxes in the period contributed

to your account. Unless you are otherwise exempt, employer contributions may be subject to FICA and Medicare taxation.

### Employee Personal Contributions

You may choose to have a portion of your wages deducted from your paycheck (subject to employer participation) and deposited into your 457(b) account. These deposits are known as *personal contributions*. Your personal contributions are deducted from your paycheck before state and federal income taxes are assessed, resulting in your ability to save more money and pay less income tax during the year. However, your personal contribution amounts are generally subject to FICA and Medicare taxation in the period earned (if these taxes would otherwise apply).

### Contribution Limits

Because contributions to your account reduce the taxes you pay currently, the IRS has set limits on the amount you and your employer can contribute each year. The following shows the maximum contribution amount from your pay allowed for 2024.

| Tax Year   | Contribution Limit |
|------------|--------------------|
| 2024 ..... | \$23,000           |

This limit may increase in future years based on cost-of-living adjustments. Your employer's contributions, combined with your personal contributions, cannot exceed the annual contribution limit. Finally, total of all contributions to your account cannot exceed the equivalent of 100% of your gross wages for the year.

*Any excess contributions, and earnings attributed to them, must be returned to you no later than the tax filing deadline after the close of the year to which they relate. You are responsible for any taxes owed on these excess contributions.*

**Example #1:** Joe is 30 years old and has an annual salary of \$40,000. His employer does not make any contribution to his 457(b) plan. In 2024, Joe's personal contributions are limited to \$23,000.

**Example #2:** Fred is 18 years old and works part time for a city. He has an annual salary of \$10,000. He receives a 7.5% contribution (\$750) from his employer into his 457(b). Fred’s personal contribution into his 457(b) account is limited to the lesser of either 100% of his salary, or \$23,000 (which is the contribution limit in 2024). Because his employer is contributing to his account, his maximum contribution would be \$9,250 (\$10,000 - \$750 = \$9,250).

*Note:* Please keep in mind these examples are hypothetical. There are other factors that may limit contributions, such as mandatory deductions taken from pay for taxes, insurance, etc.

**Catch-Up Contributions**

If you are eligible to make personal contributions into the 457(b) Plan and will attain or exceed age 50 before the close of the year, you may be eligible to make catch-up contributions in addition to the limits discussed. This catch-up provision allows you to go beyond the regular limit by \$7,500, bringing the total contribution limit for 2024 to \$30,500 (\$23,000 regular + \$7,500 catch-up).

**Example:** Alice is 55 years old and has an annual salary of \$55,000. Alice’s personal contribution into her 457(b) account in 2024 is limited to \$23,000 plus the catch-up contribution of \$7,500, for a total of \$30,500.

**Special Catch-Up Provision**

You may be eligible to contribute up to double the normal annual limits into the 457(b) Plan if:

1. You are within three years prior to the attainment of normal retirement age (you are eligible for an unreduced retirement benefit),

**AND**

2. the plan limits from prior years have not already been met.

If you are eligible for both the age 50 catch-up and the special catch-up during the same period, you may only utilize the greater of the two amounts.

The 457(b) special catch-up can only be used once under this Plan, in accordance with the unused plan limits with each employer. In order to use the special catch-up limits, URS requires you to provide a signed agreement (this form is available from the URS Savings Plans Department).

**Example:** Paul is 62 years old in 2021. His normal retirement age is 65. He is eligible to utilize the special catch-up limits during the years he is age 62, 63, and 64. Paul has an annual salary of \$50,000. His employer does not contribute into his 457(b) plan. Paul began working with his current employer in 2020. The following table shows the maximum contribution amounts for the years worked and the amounts Paul actually contributed.

| Year       | Maximum Contribution | Paul’s Actual Contribution | Difference |
|------------|----------------------|----------------------------|------------|
| 2020 ..... | \$19,500             | \$6,000                    | \$13,500   |
| 2021 ..... | \$19,500             | \$6,000                    | \$13,500   |
|            |                      |                            | \$27,000   |

The amount eligible for the special catch-up is the difference between what could have been contributed and the amount actually contributed. So, in the three catch-up years, Paul can contribute the \$27,000 in addition to the normal contribution limits, as indicated in the following tables:

| Year        | Normal Contribution | Special Catch-Up | Total (Max. of 2 x Normal) |
|-------------|---------------------|------------------|----------------------------|
| 2022 .....  | \$20,500            | \$19,000         | \$39,500                   |
| 2023 .....  | \$22,500            | \$ 8,000         | \$30,500                   |
| 2024 .....  | \$23,000            | \$ 0             | \$23,000                   |
| Total ..... | \$66,000            | \$27,000         | \$93,000                   |

**OR**

| Year        | Normal Contribution | Special Catch-Up | Total (Max. of 2 x Normal) |
|-------------|---------------------|------------------|----------------------------|
| 2022 .....  | \$20,500            | \$ 9,500         | \$30,000                   |
| 2023 .....  | \$22,500            | \$ 9,500         | \$32,000                   |
| 2024 .....  | \$23,000            | \$ 8,000         | \$31,000                   |
| Total ..... | \$66,000            | \$27,000         | \$93,000                   |

When considering the 457(b) special catch-up provision, please contact our office for assistance.

## Automatic Enrollment

Employers participating in the automatic enrollment program can have employee personal contributions automatically withheld for newly hired employees. Employees can opt out of this automatic contribution if they choose. Automatic enrollment is an easy and convenient way to begin contributing to your savings plan.

## Rollovers and Transfers into the 457(b) Plan

Another way funds can be added to your 457(b) account is through rollovers and transfers from other eligible governmental 457(b) plans. Only untaxed funds are eligible to roll into the plan. Transfers and rollovers from other plans are not subject to the maximum contribution limits. Therefore, there is no limit to the amount that can be rolled or transferred into the plan.

For funds to be eligible for rollover into your 457(b) account, they must be:

1. Untaxed funds from IRC 457(b) plans; **AND**
- 2a. A direct rollover or plan-to-plan transfer.  
This means the check is made payable to Utah Retirement Systems; **OR**
- 2b. A distribution received by and made payable to you from another 457(b) plan, which you have deposited into your URS account within 60 days of the date you received the check.

### **An Important Note About Rollovers**

Members without a vested benefit that are terminated (but not retired) from all URS participating employers are not eligible for rollover or transfer into the 457(b) Plan.

## Investment Options

To help build a diversified investment portfolio that's right for you, the 457(b) Plan provides 20 core funds (eight individual investment options and 12 Target Date Funds), and a self-directed brokerage account.

### Individual Investment Options

Designing your own portfolio can be done by using the eight URS individual investment options.

Each investment option represents different investment objectives, styles, or risk/return characteristics. The funds are managed by professional money managers and are invested according to their individual objectives and style groups. These funds are:

- Income Fund
- Bond Fund
- Balanced Fund
- Large Cap Stock Value Fund
- Large Cap Stock Index Fund
- Large Cap Stock Growth Fund
- International Fund
- Small Cap Stock Fund

### Target Date Funds

URS Target Date Funds provide a diversified retirement portfolio through a single investment option. These funds gradually adjust throughout your career and into retirement. The investment mix — which includes stocks, bonds, and real assets — gradually and automatically shifts toward more conservative investments as you age and enter retirement.

Consider the Target Date Fund with the date closest to when you will start withdrawing funds for retirement. For example: if you're a younger employee and you plan to leave the workforce and begin withdrawals around the year 2055, consider the Target Date 2055 Fund. If you're further along in your career and will begin utilizing your account close to the year 2030, consider the Target Date 2030 Fund.

Fact sheets and current information regarding rates of return, fees, and asset allocations can be found at [www.urs.org](http://www.urs.org).

**Target Date Funds Asset Allocation**

| Asset Classes                 | Target Date Funds |      |      |      |      |      |      |      |      |      |      |         |  |
|-------------------------------|-------------------|------|------|------|------|------|------|------|------|------|------|---------|--|
|                               | 2065              | 2060 | 2055 | 2050 | 2045 | 2040 | 2035 | 2030 | 2025 | 2020 | 2015 | Retired |  |
| URS Large Cap Stock Index     | 42%               | 42%  | 42%  | 42%  | 40%  | 36%  | 34%  | 32%  | 27%  | 25%  | 22%  | 20%     |  |
| URS International             | 35%               | 35%  | 35%  | 35%  | 33%  | 30%  | 24%  | 17%  | 12%  | 8%   | 6%   | 6%      |  |
| URS Small Cap Stock           | 11%               | 11%  | 11%  | 11%  | 10%  | 9%   | 6%   | 5%   | 3%   | 2%   | 1%   | 1%      |  |
| Private Real Estate           | 6%                | 6%   | 6%   | 6%   | 7%   | 9%   | 10%  | 10%  | 9%   | 6%   | 4%   | 4%      |  |
| URS Income                    | -                 | -    | -    | -    | -    | -    | -    | 3%   | 8%   | 10%  | 11%  | 11%     |  |
| URS Bond                      | 4%                | 4%   | 4%   | 4%   | 6%   | 10%  | 15%  | 18%  | 22%  | 27%  | 30%  | 31%     |  |
| International Bonds           | 2%                | 2%   | 2%   | 2%   | 4%   | 6%   | 10%  | 11%  | 12%  | 13%  | 15%  | 16%     |  |
| Global Inflation-Linked Bonds | -                 | -    | -    | -    | -    | -    | 1%   | 4%   | 7%   | 9%   | 11%  | 11%     |  |

**Default Investment Option**

If you do not select an investment option your funds will be placed in the Target Date Fund that corresponds to your date of birth, as shown in the chart below.

**Target Date Funds**

| Fund             | Date of Birthday From | Date of Birthday To |
|------------------|-----------------------|---------------------|
| Target Date 2065 | July 1, 1998          |                     |
| Target Date 2060 | July 1, 1993          | June 30, 1998       |
| Target Date 2055 | July 1, 1988          | June 30, 1993       |
| Target Date 2050 | July 1, 1983          | June 30, 1988       |
| Target Date 2045 | July 1, 1978          | June 30, 1983       |
| Target Date 2040 | July 1, 1973          | June 30, 1978       |
| Target Date 2035 | July 1, 1968          | June 30, 1973       |
| Target Date 2030 | July 1, 1963          | June 30, 1968       |
| Target Date 2025 | July 1, 1958          | June 30, 1963       |
| Target Date 2020 | July 1, 1953          | June 30, 1958       |
| Target Date 2015 | July 1, 1948          | June 30, 1953       |
| Target Retired   |                       | June 30, 1948       |

**Target Date Fund Rebalance**

Target Date Funds will be reviewed at least quarterly to determine if a rebalance is required. Any asset class (e.g., Large Cap Index Fund, International Bonds, Private Real Estate, etc.) outside of its target range at the time of the review will be rebalanced to its target. However, if redemptions from an asset class are limited due to prevailing market conditions, and per the contract with the relevant Investment Manager, that asset class will be brought as close to target as possible during the current quarter. The chart above shows the target allocation of each asset class.

**Self-Directed Brokerage Account**

The Schwab Personal Choice Retirement Account® (PCRA) — a self-directed brokerage account — is available through URS Savings Plans.

If you're an experienced investor and looking for specific investments, the PCRA is a brokerage account with Charles Schwab & Co. that offers access to thousands of different types of investments. This option is generally not advised for new accounts as it has minimum account balance requirements and additional risks.

You can invest in:

- » More than 8,500 mutual funds from over 630 well-known fund families.
- » Any stock listed on the major U.S. exchanges, including over-the-counter stocks, and foreign securities.
- » Bonds and other fixed income investments.

- » Money market and brokered CDs.
- » Exchange traded funds (ETFs).

For additional information regarding PCRA enrollment, requirements, and costs, please see the Personal Choice Retirement Account (PCRA) brochure and the Charles Schwab Pricing Guide for Retirement Plan Accounts at [www.urs.org](http://www.urs.org) located in the Publications section or contact the Savings Plans Department for a copy.

## Transfer Policies

You may instruct our office how to invest your future deposits, and you may also direct us to change where your current balances are invested.

### **Core Fund Transfer Policy:**

You are allowed to submit one transfer request (whether electronically, by fax, mail, or hand delivered) for your account balances every seven days. This applies separately to each plan in which you participate — the 401(k), 457(b), Roth IRA, and Traditional IRA each constitutes a separate plan. In addition, if you transfer any or all of your current account between core investment options more often than once every 30 days, you will be charged a 2% fee on amounts transferred. Each transfer, after being processed, starts a new 30-day period. The fees generated by this policy are used to reduce the administrative expenses for all plan participants.

Changes to the investment allocation of future deposits and changes to future contribution amounts are allowed as often as daily.

### **PCRA Transfer Policy:**

Transfers to or from a PCRA are allowed once every seven calendar days.

### **Additional Information Regarding Transfers:**

Investment change requests received by our

office before the close of the New York Stock Exchange (NYSE), generally 2:00 p.m. Mountain Time, are transferred using that evening's closing market values. Requests received after the close of the NYSE are transferred using the next business day's closing market values. On days of unusually heavy transfer activity, computer system failure or other unforeseen circumstances, URS reserves the right to process transfers using the next available business day's closing market values.

## Core Fund Dividends and Interest

When a URS core fund receives a dividend or interest income, the additional amount received is automatically reinvested. The reinvestment results in a higher price per share on the applicable fund. Dividend or interest income paid within a URS Target Date Fund will result in a price per share increase for the applicable Target Date Fund.

## Managing Your Account

You can manage your account and obtain other general information 24 hours a day at [www.urs.org](http://www.urs.org). Click "LOGIN" at the top-right to access your myURS account. To create an account, you'll need your URS account number — a "W" followed by eight digits. If you have questions, call us at 801-366-7700 or 800-365-8772.

### **myURS allows you to:**

- » Enroll in a plan or plans
- » Access your current account balance
- » Change your beneficiary(ies)
- » Change your personal contribution amount
- » Alter how your future contributions will be invested
- » Transfer your current balances between investment options
- » View a detailed history of your transactions (limited to the last seven years)
- » Obtain general information and forms

- » View rates of return and other investment information
- » Change your method of receiving confirmations
- » Update your address
- » Make one-time loan payments
- » Obtain savings plans quarterly statements, pension annual statements, and tax forms
- » Submit forms, documents, and questions through the secure Message Center

### Fund Information and Calculators

Each quarter a statement of your account, together with the funds' rates of return and other general information, is provided for you via mail and/or online. Additional detailed fund information and daily unit values are available at [www.urs.org](http://www.urs.org), at our offices, or by calling the Savings Plans Department. An interactive calculator (Savings Plans Future Values Calculator) is also available at [www.urs.org](http://www.urs.org) to help you determine the amount of savings necessary for you to achieve your long-term financial goals.

## Withdrawing Funds from Your Account

In exchange for the tax advantages of the 457(b) Plan, and because it is meant as a savings vehicle for retirement, the IRS allows withdrawals from your account only under certain circumstances, such as:

- 1 – Separation from service
- 2 – Unforeseeable emergency (as defined by the IRS)
- 3 – Attainment of age 59½
- 4 – Death
- 5 – Domestic relations orders
- 6 – Qualified birth or adoption
- 7 – Qualified domestic abuse distribution

Note: A withdrawal of less than the complete balance shall be withdrawn pro rata from each applicable investment option. Funds within the PCRA must be transferred to the core options for withdrawal from the plan.

## Retirement or Separation from Service

You are eligible for withdrawal of your funds if you separate from service (end all employment) or retire from all URS participating employers. If you are rehired or will be rehired by the same or different URS participating employer, including any pre-arrangements for employment, you are not considered separated from service by federal code and are not eligible to withdraw your funds. An individual on leave of absence or a school employee at the end of a contract year is not considered to have separated from service.

Withdrawals due to separation from service (last day of employment) are subject to a mandatory 30-day waiting period to verify termination before the funds are distributed. The 30-day waiting period does not apply if you terminate due to retirement with URS or if you are over age 59½.

## Unforeseeable Emergency

An unforeseeable emergency withdrawal is an in-service distribution allowed under narrow circumstances defined by federal law and IRS regulations. An unforeseeable emergency is defined as:

- » A severe financial hardship to the participant or primary beneficiary resulting from an illness or accident of the participant or primary beneficiary, the participant's or primary beneficiary's spouse, or the participant's or primary beneficiary's dependent (as defined in section 152 of the Internal Revenue Code);
- » Loss of the participant's or primary beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); or
- » Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or the primary beneficiary.

For example:

- » The imminent foreclosure of or eviction from the participant's or primary beneficiary's primary residence;

» The need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication; or

» The need to pay funeral expenses of a spouse or a dependant (as defined in section 152 of the Internal Revenue Code) of the participant or primary beneficiary.

The requested withdrawal may not exceed the amount necessary to meet the financial need plus any applicable income taxes resulting from the withdrawal. Unforeseeable emergency withdrawals are available only from amounts you have in the URS core funds (PCRA funds must be transferred to the URS core funds to be eligible for withdrawal).

### Attainment of Age 59½

You are eligible for withdrawal of your funds once you have reached age 59½, regardless of your employment status.

### Death

In the event of your death, any remaining funds are payable to the beneficiaries you have designated in the 457(b) Plan. These funds are payable first to your primary beneficiary(ies) or, if they are deceased, to your contingent beneficiary(ies).

If you have not named beneficiaries or if your beneficiaries do not survive you, the funds are paid to your spouse. If your spouse does not survive you, the funds are paid in accordance with Utah Code Section 49-11-609 and the Plan Document, URS follows the order of precedence established under the Utah Probate Code for determining allocation of funds to heirs. For questions, please contact the URS Savings Plans Department.

### Spouse as Beneficiary

URS Savings Plans accepts information regarding your spouse (the person you are legally married to) as correct, and will not do an independent verification of your marital status. Providing incorrect information regarding your marital status may lead to tax consequences that are solely your responsibility. For additional information regarding the definition of marriage for federal tax purposes see U.S. Department of

the Treasury Revenue Ruling 2013-17.

A divorce or annulment revokes the designation of a former spouse as a beneficiary. In order to redesignate a former spouse, the designation must be submitted after the date of divorce.

### Domestic Relations Order (DRO)

Pursuant to Utah Code Section 49-11-612, URS may divide an account with a former spouse or other family members if instructed by a valid domestic relations order, signed by a judge, and court certified.

### Qualified Birth or Adoption

You may be able to take an in-service withdrawal of up to \$5,000 for expenses related to the birth or adoption of a child. The withdrawal is subject to income tax. To qualify, the withdrawal must be made within a one-year period beginning on the date your child is born or the legal adoption is finalized. The \$5,000 aggregate limit applies to all retirement plans maintained by your employer.

A qualified birth or adoption withdrawal may be repaid to a qualifying retirement plan as a rollover contribution. The repayment must be made within three years of receiving the qualified birth or adoption distribution.

### Qualified Domestic Abuse Distribution

A qualified domestic abuse distribution is an in-service withdrawal for victims of domestic abuse. The term "domestic abuse" means physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim's ability to reason independently, including by means of abuse of the victim's child or another family member living in the household. The aggregate amount eligible for withdrawal across all retirement plans for a qualified domestic abuse distribution cannot exceed the lesser of: \$10,000, or 50% of the vested account balance. The distribution must be made within the one-year period beginning on any date on which the individual is a victim of domestic abuse (defined

above) by a spouse or domestic partner.

A qualified domestic abuse distribution may be repaid to a qualifying retirement plan as a rollover contribution. The repayment must be made within 3 years of receiving the qualified domestic abuse distribution.

### Required Minimum Distribution (RMD)

Once you reach age 73 (if you attain age 72 after December 31, 2022), and are no longer employed with an employer participating with URS, the IRS requires you to begin taking **at least** the required minimum distribution (RMD) from your account each year. This minimum amount is determined by taking your account balance on the last day of the previous year and dividing it by the uniform lifetime factor or joint life expectancy factor provided by the U.S. Treasury.

**Example:** Suppose you turn age 73 in calendar year 2024. We would determine your account balance on December 31, 2023 (\$14,575 in this example), and divide that by the figure shown in the U.S. Treasury tables. In this case, the figure is 26.5, calculating out to an RMD of \$550 ( $\$14,575 / 26.5 = \$550$ ).

Your first RMD (the year you turn 73) may be deferred until as late as April 1 of the next year. If you choose to defer the first payment, you will have to take two payments during the next calendar year in order to satisfy the RMD for the next year as well.

**Example:** Using the information in the previous example, you choose to defer your payment until April 1, 2025. You must take at least \$550, to satisfy the 2024 RMD, but you also need to take an additional payment to satisfy the 2025 RMD.

The distribution to satisfy the RMD can be taken any time during the calendar year it is due and can be taken in any form (monthly, annually, as a single amount, etc.). URS offers a withdrawal option wherein your RMD is automatically calculated and distributed to you each year.

### Involuntary Distributions of Inactive Accounts

Inactive accounts of participants with combined savings plans balances below \$1,000 are automatically closed and the funds are distributed to the account owners. Inactive accounts are defined as accounts that have had no contribution or withdrawal activity for a period of at least 12 months and the participant is no longer employed with a URS participating employer.

### Distribution of Excess Contributions

If you exceed the IRS maximum contribution amount for a given tax year, URS will automatically issue a distribution from your 457(b) account for the amount of the excess contribution, adjusted for any applicable earnings.

### Plan-to-Plan Transfers (while still employed)

Account balances in the 457(b) Plan may be transferred on a plan-to-plan basis to another 457(b) plan if one of the following conditions are met:

- (a) You are not eligible to participate in the URS Systems or 457(b) Plan; or
- (b) You are completing a service purchase for a governmental defined benefit plan.

## Taxes

Distributions made from the 457(b) Plan are generally taxable. When you receive a partial balance or total balance withdrawal of \$200 or more, the IRS requires 20% of the amount withdrawn be withheld for federal income taxes. The 20% withholding requirement does not apply to certain distributions, such as, unforeseeable emergency, qualified birth or adoption, or required minimum distributions (RMDs). For these types of distributions, 10% will be withheld for federal income tax unless IRS Form *W-4R* is submitted.

Utah state taxes are withheld based on information provided within the State of Utah Income Tax Withholding Section of the withdrawal or distribution request form or on the *Request for State of Utah Income Tax Withholding for URS Savings Plans* form, regardless of the type of payment. URS will only withhold state income tax for the State of Utah.

Distributions from the 457(b) Plan are generally not subject to the 10% additional income tax on early distributions.

There may be other exceptions to the taxes previously mentioned. For more information regarding taxation, please review the *Special Tax Notice* available on our website or in our offices, or IRS Publication *575 Pension and Annuity Income*. URS does not provide legal or tax advice. (Consult a tax advisor.)

## 457(b) Loans to Participants

### Eligibility

In order to be eligible to take a loan from your 457(b) account, your employer must participate in the URS 457(b) Plan loan program and allow payroll deduction for the payments. Also, you may only have one outstanding loan at any time from your 457(b) account. You may only borrow money you have in the URS core funds (PCRA funds must be transferred to the core funds to be available for loan).

### Minimum Loan

The minimum loan available is \$1,000. This requires a balance in your account of at least \$2,000.

### Maximum Loan

The maximum loan that may be taken is the lesser of 50% of your account balance or \$50,000. The \$50,000 maximum amount is reduced by the highest loan balance during the past 12 months in any or all retirement savings plans associated with a participating URS employer (including 401(k) and 403(b) plans).

### Loan Repayment

Loan payments may be amortized over five years or less. However, if the loan is used for the purchase of your primary residence, payments may be amortized for up to 10 years. (Mortgage payments and refinancing are not considered as a purchase.)

An outstanding 457(b) loan balance becomes due upon separation from employment (*see next paragraph for an option for loan repayment*). If the loan balance is not paid within the cure period, the loan is considered in default and treated as a withdrawal. The cure period cannot continue beyond the last day of the calendar quarter following the calendar quarter in which the required installment payment was due.

### Automated Clearing House (ACH)

The Automated Clearing House (ACH) loan repayment program is offered to URS members and retirees who have outstanding 401(k) or 457(b) plan loans and are no longer able to make payroll deductions through a participating URS employer. Participating in the ACH program does not supersede the terms of the original signed promissory note except the repayment amount may be recalculated to a monthly amount necessary to repay the loan in the length of time specified in the promissory note. The member agrees to allow monthly loan payments to be automatically debited by URS on the 15th of the month (or next closest bank business day) from the financial institution he/she has chosen.

### One-Time Loan Payments

#### **URS Check Policy:**

URS accepts personal checks and certified funds (e.g., cashier's checks or money orders) for additional loan prepayments. We are unable to accept cash. Full or partial loan prepayments of \$500 or more are accepted. Certified funds will post to your account within three to five business days. If you submit a personal check, payment is not posted to your account for a minimum of five business days. Returned checks, due to insufficient funds, are not posted to an account and URS charges a \$20 returned check fee.

#### **URS ACH Policy:**

URS accepts one-time ACH payments from your financial institution. You can set-up one-time ACH payments by accessing your myURS account online. Full or partial loan prepayments of \$100 or more are accepted. Payments will be posted three to five days after the funds are received from your financial institution.

### Interest Rate on Loans

The interest rate is a fixed rate for the duration of the loan. The loan interest rate for new loans is determined at the beginning of each calendar quarter, based on the prime rate (as published in *The Wall Street Journal*) plus 1%. The interest on a 457(b) loan is generally not deductible for income tax purposes. (Consult a tax advisor.)

### Loan Fee

There is a \$60 nonrefundable fee deducted from your account when the loan is processed.

### Taxes and Penalties

There are no taxes or penalties on a loan, unless the loan is in default and/or offset against the account.

### Application of Funds

When the loan is created, the principal is transferred from the core investment funds beginning with employer contributions in the most conservative fund, progressing to employee personal contributions in the most aggressive fund. Your loan payments to the plan reduce the outstanding loan principal owed, and the principal and interest paid is applied to the 457(b) investment options based on your specified allocation for future deposits. All interest you pay is deposited into your account.

For more loan information, please read the *URS 401(k)/457(b) Loan Program* brochure. Also, take advantage of the URS Loan Payment Calculator at [www.urs.org](http://www.urs.org). The brochure is available online and at our offices.

## Plan Fees and Expenses

There are several different types of expenses that may be deducted from an account to cover the costs of administering your Plan: 1) investment, 2) administrative, 3) loan, 4) inactive account maintenance, and 5) short-term trading.

### Investment and Administrative Fees\*

| Fund                  | Investment | Adminis-<br>trative | Total<br>Fee |
|-----------------------|------------|---------------------|--------------|
| Income Fund           | 0.20%      | 0.10%               | 0.30%        |
| Bond Fund             | 0.10%      | 0.10%               | 0.20%        |
| Balanced Fund         | 0.24%      | 0.10%               | 0.34%        |
| Large Cap Value Fund  | 0.41%      | 0.10%               | 0.51%        |
| Large Cap Index Fund  | 0.02%      | 0.10%               | 0.12%        |
| Large Cap Growth Fund | 0.24%      | 0.10%               | 0.34%        |
| International Fund    | 0.05%      | 0.10%               | 0.15%        |
| Small Cap Stock Fund  | 0.27%      | 0.10%               | 0.37%        |
| Target Date 2065      | 0.10%      | 0.10%               | 0.20%        |
| Target Date 2060      | 0.10%      | 0.10%               | 0.20%        |
| Target Date 2055      | 0.10%      | 0.10%               | 0.20%        |
| Target Date 2050      | 0.10%      | 0.10%               | 0.20%        |
| Target Date 2045      | 0.11%      | 0.10%               | 0.21%        |
| Target Date 2040      | 0.13%      | 0.10%               | 0.23%        |
| Target Date 2035      | 0.14%      | 0.10%               | 0.24%        |
| Target Date 2030      | 0.15%      | 0.10%               | 0.25%        |
| Target Date 2025      | 0.15%      | 0.10%               | 0.25%        |
| Target Date 2020      | 0.14%      | 0.10%               | 0.24%        |
| Target Date 2015      | 0.13%      | 0.10%               | 0.23%        |
| Target Date Retired   | 0.13%      | 0.10%               | 0.23%        |
| Tier 2 Nonvested      | 0.14%      | 0.10%               | 0.24%        |

\* For up-to-date investment and administrative fees, see Rates of Return and Fees at [www.urs.org](http://www.urs.org).

*Investment* fees are charged by the fund managers to cover the costs of investing money. *Administrative* fees cover the costs of maintaining a retirement plan, such as customer service, statements, and record keeping. Both fees are charged as a fraction of a percent of assets under management and are calculated in each fund's daily unit value. Therefore, balances in your account and all rates of return are shown after these fees have been deducted.

**Example:** Let's assume you invested \$1,000 in the Large Cap Stock Index Fund on January 1, 2024, and left it until January 1, 2025. Let's also assume there was no change in the stock market during that same period. The fee for investing and administering this option for you would be \$1.20 (.12% x \$1,000).

### Loan Fee

If you take advantage of the Plan's loan program, you are assessed a \$60 processing fee for each loan you receive from the Plan. This fee appears as a withdrawal on your quarterly statement.

### Inactive Account Maintenance Fee

Because the fees generated from small inactive accounts generally do not cover the costs of maintaining them, an annual fee of \$15 is assessed to each plan. Small inactive accounts are those where the account owner is no longer employed by a participating organization, there have been no deposits or withdrawals during the prior 12 months, and assets in all URS Savings Plans are less than \$5,000. This fee appears as a withdrawal on the quarterly statement.

## Short-Term Trading Fee

Because of the costs generated by frequent trading and the potential impact on other participants' accounts, it is necessary to impose a short-term trading fee. Individuals who transfer any or all of their account balance among core investment options more often than once every 30 days are charged a 2% fee on the amount transferred. Each transfer starts a new 30 day period. Also, each savings plan is treated individually. For example, fund transfers in your IRA do not affect your ability to transfer funds in your 401(k) or 457(b) account.

## Self-Directed Brokerage Account Fee

Participants in the Schwab Personal Choice Retirement Account® (PCRA) are assessed a \$12 quarterly fee for each plan utilizing a PCRA. The administrative fee (.10%) is **not** applied to funds within a PCRA.

## Felony Forfeiture

In accordance with Utah Code § 49-11-1401, if you are convicted of an employment related felony offense, you will forfeit any employer retirement related contributions. The amount of the employer retirement related contributions forfeited are calculated beginning on the day on which the employment related felony offense occurred and until you are either reelected or reappointed to office, or terminated from the position for which you were found to have committed an employment related felony offense.

## Appeals Process

If you disagree with a decision made by the URS Savings Plans Department regarding benefits arising under Utah Code Title 49, you may seek in writing a determination of that dispute from the URS Savings Plans department director. If you disagree with the decision, you may seek in writing a ruling from the URS executive director. If you are dissatisfied with the ruling, you may within 30 days of the ruling file a written petition with the hearing officer and the Utah State Retirement Board. Following the determination of the Utah State Retirement Board you may appeal it's legal determination as prescribed in Utah Code Section 49-11-613. At each stage of the appeal your dispute must be in writing stating the facts of the situation, the remedy you are requesting, and the legal or equitable basis of your appeal.

## A Final Word

This brochure is general in nature. Your rights, benefits, and obligations are governed by Utah Code Title 49 and the 457(b) Plan Document, which take precedence over any interpretations in this brochure. For more information regarding the 457(b) Plan, contact the URS Savings Plans Department at **801-366-7720** or **800-688-401k**, or visit **[www.urs.org](http://www.urs.org)**.

*This publication is intended to provide general information and does not constitute legal, tax, financial or investment advice and should not be construed as such or relied upon for those purposes. Nothing herein should be construed to establish, amend, enlarge, reduce, or otherwise affect any benefits, rights, responsibilities, or privileges. If there is a conflict between any applicable law, rule, regulation, plan provision, or contract and the contents of this publication, the law, rule, regulation, plan provision, or contract shall prevail. URS investment funds are not FDIC insured, not deposits or obligations of, or guaranteed by, any financial institution; and are not guaranteed by URS or any government agency. Past performance of the funds does not guarantee future results. URS regularly evaluates the funds and may change investment managers and Target Date Fund allocations as needed. The funds may utilize transactions involving securities lending in order to generate additional income. Although risk of loss from securities lending is low, securities lending is not without risk.*

## **Your Right to Privacy is Protected**

Information will be given over the telephone to members only if they can demonstrate their identity through knowledge of personal information. If such knowledge cannot be demonstrated, account information will not be discussed over the telephone. Because your file is confidential, we cannot release information to your spouse, relatives, or group representative. Information provided through [www.urs.org](http://www.urs.org) is permitted only with a valid username and password.



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