



# Tier 2 ELECTED OFFICIALS

**URS Tier 2 Defined  
Contribution Plan  
Highlights**

**2024**



**Summary Plan Description**

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## Utah Retirement Systems Tier 2 Defined Contribution Plan

# Welcomes Elected Officials

*The Utah Retirement Systems (URS) Tier 2 Defined Contribution (DC) Plan is a qualified, tax-deferred plan governed by Section 401(k) of the Internal Revenue Code, and authorized under Title 49 of the Utah Code. This brochure is intended to provide a brief description of the current provisions of the 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.*



**P***lanning and saving* for retirement isn't always easy, but it's important to do so you can achieve your financial goals. The Tier 2 Defined Contribution Plan's primary purpose is to provide income for your retirement. This 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.

## Membership Eligibility for Elected Officials

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You qualify for membership if:

1. You are an elected official whose position is full time, as certified by your participating employer, or you are a Utah State Legislator;  
**AND**
2. You were initially elected into office on or after July 1, 2011, and do not have prior Tier 1 service.

## Contributions

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### Tier 2 Employer Required Contributions

Your employer (or the State of Utah for legislators) contributes an amount equal to 10% of your eligible compensation to the URS 401(k) Plan. These contributions are referred to as *Tier 2 employer required contributions*.

### Employer Non-Elective or Employer Matching Contributions

In addition to employer required contributions, your employer may contribute additional amounts as employer non-elective or employer matching contributions. These contributions can be a fixed dollar amount, a percent of your wages, or they can be matching contributions based on your personal contributions. Employer contributions are made as a benefit to you and do not reduce your wages, and these contributions are not subject to state, federal, or FICA taxation in the period contributed to your account.

### Employee Personal Contributions

You may choose to have a portion of your eligible wages deducted from your paycheck and deposited into your URS 401(k) account.

These deposits are known as personal contributions. Personal contributions are deducted from the wages you earn from your elected position 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, personal contribution amounts are generally subject to FICA and Medicare taxation in the period earned (if these taxes would otherwise apply).

## Future Investment Allocation

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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 chart on Page 7).

## 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	Maximum Contribution
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 lesser of \$69,000, for 2024, or the equivalent of 100% of your gross eligible 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.*

## Catch-Up Contributions

If you are eligible to make personal contributions into the 401(k) 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 previously discussed. This catch-up provision allows you to go beyond the regular limits 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 \$50,000. She receives a 10% annual contribution into her 401(k) from her employer (\$5,000). Alice's personal contribution into her 401(k) account is limited to the regular contribution limit of \$23,000, plus the catch-up contribution of \$7,500, for a total of \$30,500. Adding her employer's contribution, total deposits to her account for the year could be \$35,500.*

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

## Rollovers and Transfers into the 401(k) Plan

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Another way funds can be added to your 401(k) account is through rollovers and transfers from other eligible retirement plans. Only untaxed funds are eligible to roll into the 401(k) plan (some IRAs and 401(k)s may have after-tax funds). 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 roll over into your 401(k) plan, they must be:

1. Untaxed funds from an eligible retirement plan. These plans may include any of the following: 401(k), 457(b), traditional IRA, and 403(b); **AND** one of the following two options:

- 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 eligible plan, which you have deposited into your URS account within 60 days of the date you received the check.

## Investment Options

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To help build a diversified investment portfolio that's right for you, the 401(k) plan provides 20 core funds (8 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 core individual investment fund 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 allocation can be found at [www.urs.org](http://www.urs.org).

### Target Date Funds Asset Allocation

Asset Classes	2065	2060	2055
URS Large Cap Stock Index	42%	42%	42%
URS International	35%	35%	35%
URS Small Cap Stock	11%	11%	11%
Private Real Estate	6%	6%	6%
URS Income	-	-	-
URS Bond	4%	4%	4%
International Bonds	2%	2%	2%
Global Inflation-Linked Bonds	-	-	-



## 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 Funds

2050	2045	2040	2035	2030	2025	2020	2015	Retired
42%	40%	36%	34%	32%	27%	25%	22%	20%
35%	33%	30%	24%	17%	12%	8%	6%	6%
11%	10%	9%	6%	5%	3%	2%	1%	1%
6%	7%	9%	10%	10%	9%	6%	4%	4%
-	-	-	-	3%	8%	10%	11%	11%
4%	6%	10%	15%	18%	22%	27%	30%	31%
2%	4%	6%	10%	11%	12%	13%	15%	16%
-	-	-	1%	4%	7%	9%	11%	11%

## 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 on Pages 6 and 7 shows the target allocation of each asset class.

## Self-Directed Brokerage Account

***URS offers the Schwab Personal Choice Retirement Account<sup>®</sup> (PCRA) – a self-directed brokerage account 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 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 current 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 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 instructions received by our office before the close of the New York Stock Exchange (NYSE), generally 2 p.m. Mountain Time, are transferred using that evening's closing market values. Change 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

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 Member 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 contribution amount
- » Alter how your future deposits will be invested
- » Transfer your current balances between investment options
- » Obtain general information and forms
- » View rates of return and other investment information
- » View a detailed history of your transactions (limited to the last seven years)
- » 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 on our website, at our offices, or by calling our Defined Contribution Department. An interactive calculator (Savings Plans Future Values Calculator) is also available on our website to help you determine the amount of savings necessary for you to achieve your long-term financial goals.

## Withdrawing Funds from Your Account

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In exchange for the tax advantages of the 401(k) 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- Retirement or separation from service
- 2- Disability
- 3- Financial hardship (as defined by the IRS)
- 4- Attainment of age 59½
- 5- Death
- 6- Domestic relations orders
- 7- Qualified reservist distribution
- 8- Qualified birth or adoption
- 9- 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 vested 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 59 ½.

### **Disability**

To be eligible for a distribution due to disability you must be approved for long-term disability through either your disability insurance carrier or through Social Security. Documentation is required to demonstrate your disability status.

Tier 2 employer required contributions are not eligible for disability withdrawals for those under a benefit protection contract.

### **Financial Hardship**

A hardship withdrawal is allowed for active participants, only if you have an immediate and heavy financial need and all other reasonably available resources and remedies have been exhausted. The distribution cannot exceed the amount necessary to satisfy the financial need plus applicable taxes and penalties. Hardship withdrawals may come only from employee personal contributions and not from employer contributions and earnings. Hardship 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 hardship withdrawal).

The following situations generally satisfy the requirement for an immediate and heavy financial need:

1. Medical expenses of member, their spouse, dependents, or primary beneficiary that are not covered by insurance;

2. Payment of tuition related educational fees and room and board expenses for the next 12 months of post-secondary education for the member, their spouse, children, dependents, or primary beneficiary;
3. Costs directly related to the purchase of a principle residence (excluding mortgage payments or refinancing);
4. Payment necessary to prevent eviction from the principle residence, or foreclosure on the mortgage on that residence;
5. Payments for funeral or burial expenses for the participant's deceased parent, spouse, child, dependent or primary beneficiary; and
6. Expenses to repair damage to the participant's principle residence that would qualify for a casualty loss deduction under Section 165 of the Internal Revenue Code (determined without regard to whether the loss exceeds 10% of adjusted gross income).

### **Attainment of Age 59½**

You are eligible for withdrawal of your vested 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 401(k) 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 the heirs. For questions, please contact the URS Savings Plans Department.

*For additional information on death benefits for non-retired active members see Pages 24 and 25.* **13**

## **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)**

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 Reservist Distribution**

If you have been called to active duty for more than 179 days, you are eligible to withdraw your personal contributions from your 401(k) account without the 10% additional income tax on early distributions. The distribution must be made no earlier than the date of the order or call to active duty and no later than the close of the active duty period. Also, upon your return from active duty, you may redeposit any funds you withdrew, to an IRA, for up to two years from the end of active service. These amounts would be above the current contribution limits. You must be ordered or called to duty after September 11, 2001.

## **Qualified Birth or Adoption**

You may be able to take a withdrawal of up to \$5,000 for expenses related to the birth or adoption of a child. The withdrawal is subject to income tax but not the 10% additional income



tax on early distributions. 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.

Qualified birth or adoption distributions taken as an in-service withdrawal are allowed from employee contributions only. Employer contributions and earnings cannot be used for this type of in-service distribution.

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 a penalty-free 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.

Qualified domestic abuse distributions taken as an in-service withdrawal are allowed from employee contributions only. Employer contributions and earnings cannot be used for this type of in-service distribution. The distribution must be made within the 1-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 three 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 by an employer participating with URS, the IRS requires you to begin taking **at least** the required minimum distribution (RMD) from your vested account each year. This minimum amount is determined by taking your vested 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 U.S. Treasury tables.

**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 401(k) account for the amount of the excess contribution, adjusted for any applicable earnings.

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

Vested account balances in the 401(k) Plan may be transferred on a plan-to-plan basis to another qualified plan (401(k) or 401(a)) if one of the following conditions are met:

- (a) You are not eligible to participate in the URS Systems or 401(k) Plan; or
- (b) You are completing a service purchase for a governmental defined benefit plan.

## Taxes

Distributions made from the 401(k) 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, financial hardship, 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.

If you receive a distribution from your account prior to age 59½, you may be subject to the federal 10% additional income tax on early distributions (10% additional tax). This 10% additional tax is in addition to any federal or state income taxes you are required to pay. The 10% additional tax may not apply for payments made after you separate from service if you attain at least age 55 in the year of the separation. Or for payments after you separate from service if you are a qualified public safety employee and you attain at least age 50 or 25 years of service under the plan, whichever is earlier, in the year of separation. Also, the 10% additional tax does not apply to death benefits, domestic relations accounts, qualified reservist, qualified birth or adoption, qualified domestic abuse, or persons on disability.

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.)

## 401(k) Loans

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### Eligibility

In order to be eligible to take a loan from your 401(k) plan, your employer must participate in the URS 401(k) loan program and allow payroll deduction for payments. You may have one outstanding loan at any time from your 401(k) plan and 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). In addition, Tier 2 employer required contributions are restricted from being taken as a 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 457(b) and 403(b) plans). Tier 2 employer required contributions are restricted from being taken as a loan. However, Tier 2 employer required contributions may be used to determine the amount you have available when computing the 50% limit.

### 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 401(k) 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 retirees and other URS members who have outstanding 401(k) or 457(b) plan loans and are not 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 that 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 must agree to allow monthly loan payments to be automatically debited by URS on the 15th of the month (or next closest bank business day) from their chosen financial institution.

### **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 401(k) 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 made.

### **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 options beginning with employer contributions (except those required under Tier 2) 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 401(k) 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 on our website. The brochure is available on our website 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 the plan: 1) investment, 2) administrative, 3) loan, 4) inactive account maintenance, and 5) short-term trading.

### Investment and Administrative Fees\*

Fund	Adminis- Investment	Total trative	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 recordkeeping. 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 URS participating employer, 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 your quarterly statement.

### **Short-Term Trading Fee**

Because of 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 current account 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) plans.

### **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.

## **Death Benefits**

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The financial settlement your beneficiary(ies) will receive when you die is determined by your status according to the system in which you participate. The following summarizes specific death benefits payable in the Tier 2 Defined Contribution Plan.

### **Lump-Sum Settlement**

If you have any contributions in your 401(k), these funds are payable to your designated beneficiary(ies).

### **Active Employee Death Benefit**

If you are an active member who is employed by the State or a URS participating employer at the time of your death, your beneficiary(ies) will receive a death benefit payment representing 75% of your highest retirement eligible salary (in addition to the lump-sum settlement). If you have less than 12 months' service, the benefit is prorated. The minimum benefit is \$1,000.

***Note:** The death benefit payment is not payable if the covered member commits suicide before group coverage has been in force for two years.*

## **Accelerated Death Benefit**

This provision allows you to take an advance payment of 75% of your active employee death benefit coverage, if you have a terminal illness and a life expectancy less than 18 months.

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

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Information can be given over the telephone to you only if you can demonstrate your 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 our website is permitted only with a valid user ID and password.

## **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. 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

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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 its 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

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This brochure is general in nature. For more information regarding the 401(k) 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 participants 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 the URS website is permitted only with a valid username and password.



### **Savings Plans Department**

**PO Box 1590, Salt Lake City, UT 84110-1590**

### **Visit us at**

**560 East 200 South, Suite 200  
Salt Lake City, UT 84102-2021**

### **Customer Service:**

**801-366-7720 or 800-688-401k**

**Fax: 801-366-7445**

**Toll free fax: 800-753-7445**

### **Southern Utah Branch Office**

**20 North Main Street, Suite 206  
435-673-6300, 800-950-4877**

**[www.urs.org](http://www.urs.org)**