



Savings Plan Loan Program

401(k) • Roth 401(k) • 457(b) • Roth 457(b)

If you have a 401(k), Roth 401(k), 457(b) or Roth 457(b) with URS, you may be eligible to participate in our Loan Program.



Your employer must participate in the URS Loan Program, or you must be separated from service to establish a loan. To find out if your employer participates in the loan program, contact the Savings Plans Department at 801-366-7720 or 800-688-4015. Estimate a loan payment using our loan calculator or obtain apply for a loan at www.urs.org.

Consider Your Options Carefully

The purpose of these savings plans is to help you save for retirement.

If you're considering taking a loan, please carefully consider the potential consequences.

- » Losing out on the potential market gains your money could have otherwise earned could set your retirement back considerably. Remember, you're not just losing out on potential market gains, but on the potential compounding of those gains for the years or decades until your retirement.
- » It's advisable to only take savings plan loans for emergencies.
- » Don't make an ill-informed decision. Consider meeting with a URS Retirement Planning Advisor to understand the potential pros and cons: www.urs.org/us/irps.

How to Apply

Apply for a loan online or over the phone.

To apply for a loan online, log in to your account at www.urs.org, and complete the following steps:

- 1) Click Savings Plans
- 2) Click Loan
- 3) Click Create, next to the desired account
- 4) Follow the steps as directed.

Note: You will not be required to sign the promissory note in the presence of a notary public, regardless of loan amount, if you apply for online.

To apply for a loan over the phone, call 801-366-7720 or 800-668-4015 and press "0." A counselor will assist you in preparing your loan and mail you a promissory note. You must sign the promissory note in the presence of a notary public if the amount of the loan is over \$5,000.

Regardless of how you apply for the loan, you may elect to receive the funds electronically via ACH or have a check mailed to your address of record.

Loan Maximums

The IRS has set limits as to how much you may borrow from your account.

Your Account Balance	Loan Maximum
\$0 to \$1,999	Not Allowed
\$2,000 to \$100,000	50% of Account Balance
Over \$100,000	\$50,000

The \$50,000 maximum loan amount is reduced by the highest loan balance in any and all tax-deferred retirement plans during the past 12 months. If you have or have had loans in other retirement savings plans during the prior 12 months, the highest outstanding loan balances in those plans reduce the maximum balance available with URS. Because URS may not have record of your other savings plans, it's your responsibility to account for these types of loans when requesting an additional loan.

Any Tier 2 employer required contributions are restricted from being used for a loan. However, Tier 2 vested employer required contributions can be used to determine the amount available for a loan.



Example 1

Julie has the following balances in her retirement plans and has not taken any other retirement plan loans during the past 12 months.

	Balance	Eligible Loan Amount
URS 401(k)	\$70,448	\$35,224
URS 457(b)	\$115,778	\$50,000

Julie is eligible to borrow from her 401(k) and/or her 457(b) account, but the combined total available from both plans cannot exceed the \$50,000 loan maximum established by the IRS.



Example 2

Barbara has not had other retirement plan loans and has the following balances in her accounts:

	Balance	Eligible Loan Amount
URS 457(b)	\$10,500	\$5,250
403(b) TSA	\$68,000	\$34,000

In this example, Barbara may take both loans — \$5,250 from her 457(b) account and \$34,000 from her 403(b). Together the loans equal \$39,250, which is well within the \$50,000 IRS maximum.



Example 3

Cory has a current 401(k) loan of \$5,000. His highest balance outstanding during the previous 12 months was \$6,500. He would like to take an additional loan from his Roth 401(k):

	Balance	Eligible Loan Amount
URS 401(k)	\$30,000	Current Loan Outstanding
URS Roth 401(k)	\$120,000	\$43,500

Because Cory has had a 401(k) loan balance of \$6,500 during the prior 12 months, he is only eligible for a Roth 401(k) loan in the amount of \$43,500.



Example 4

Daniel is part of the Tier 2 Retirement System and has never taken a loan from any retirement plan before. He would like to take the maximum loan available.

	Vested Employer Required Contributions	Total Balance	Eligible Loan Amount
URS 401(k)	\$13,000	\$20,000	\$7,000

Fifty percent of Daniel's account is \$10,000, but because \$13,000 is restricted from being used for the loan, Daniel's maximum is \$7,000 (\$20,000 - \$13,000 = \$7,000). Vested employer required contributions can be used to determine the amount eligible for a loan, but they are restricted from being used for the loan itself.

Frequently Asked Questions

What is the interest rate?

The interest rate is the prime rate plus 1% as reported in the Wall Street Journal at the beginning of each quarter. The interest rate is fixed for the duration of each loan.

Is there a processing fee?

There is a one-time, non-refundable processing fee of \$60 per loan. The fee is deducted from your account balance when your signed promissory note is received and processed by URS.

How many years can I take to repay my loan?

The length of loan repayments can be up to five years. If the loan is for the purchase of your primary residence, loan repayments can be up to 10 years (a purchase does not include mortgage payments, refinances, or second home loans). If the loan is for the purchase of your primary residence and you want the payments to exceed five years, supporting documentation may be required (i.e., a copy of your good faith estimate).

What is the repayment method?

Payments are made through payroll deduction.

The payments are made with after-tax wages and are deducted from each paycheck. For example, if you are paid every two weeks, you will have 26 payments each year.

Can I pay off my loan early?

You can make additional payments to the loan principal. Payments must be for at least \$500 or the payoff amount, if less. There is no prepayment penalty for early payoff.

What if I already have a loan with URS?

You are eligible to have one outstanding loan in each of the 401(k), Roth 401(k), 457(b), or Roth 457(b) plans (not to exceed the IRS loan maximums).

Are my interest payments tax deductible?

Generally, no. For more information, consult a tax advisor.

How does a loan affect my account?

The amount of the loan is transferred from your investment funds to a loan account. Therefore, if the stock or bond funds perform well, you may be missing additional growth potential on your account. As the loan is repaid, the collateral account balance is decreased by the amount of principal repaid. The principal and interest paid are deposited into your investment options according to your investment allocation for future contributions.

What happens to my loan if I leave my employer (due to retirement, separation from service, or disability)?

If you stop working for a participating employer, you have three options for your outstanding loan.

1 Automated Clearing House (ACH) Payments: You can set up a monthly debit from an account at your financial institution to continue making payments on your loan. The ACH loan repayment program is only offered to those who have outstanding URS 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 promissory note you signed; however, the repayment amount may be recalculated to a monthly payment necessary to repay the loan in the length of time specified in the promissory note. You must agree to allow monthly loan payments to be automatically debited by URS on the 5th of the month (or next closest bank business day) from the financial institution you have chosen. To initiate an ACH payment, you must submit a Loan ACH Agreement.

2 Default: An outstanding loan becomes due when you leave your employer. If the loan balance is not paid within the cure period, the loan is considered in default and treated as a withdrawal. When your loan is in default, it becomes taxable as income in the year of default and may be subject to early withdrawal penalties. If you wish to avoid default, you must set up ACH payments or pay off your loan before the cure period ends. The cure period cannot continue beyond the last day of the calendar quarter following the calendar quarter in which the required loan installment payment is due.

3 Payoff: You can pay off your loan balance by sending in a check or via ACH. You are not required to submit a full payoff of your loan. Partial payoff amounts of \$500 or more are accepted. However, any loan amount left outstanding (not paid off) will default and becomes subject to income taxes and possible penalties.

What if my account is a beneficiary or alternate payee account?

Beneficiary accounts and alternate payee accounts are not eligible for the loan program. These accounts are often available for distribution or roll over and are not subject to a 10% early withdrawal penalty tax. Alternate payee accounts are derived from a domestic relations order (DRO).

Rules

- » You must have a balance of at least \$2,000 in the plan account from which you are taking the loan.
- » You are eligible for one outstanding loan in each plan.
- » Your employer must participate in the URS Loan Program within the account you want to take the loan from, or you must be separated from service.



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

Visit us at

560 East 200 South
Salt Lake City, UT 84102-2021
801-366-7720 • 800-688-4015

Southern Utah Branch

20 North Main St., Suite 206
St. George, UT 84770
435-673-6300 • 800-950-4877

www.urs.org

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